FRANCHISE DISCLOSURE DOCUMENT

Exercise Coach USA, LLC
An Illinois limited liability company
531 Telser Rd., Lake Zurich, Illinois 60084
Phone: (855) 400-5250
Email: franchise@exercisecoach.com
Website: www.exercisecoach.com

Exercise Coach USA, LLC offers franchises for the operation of a business that provides a comprehensive system of personal training to optimize longevity and health span using: (a) proprietary and technologically-advanced equipment; (b) evidence-based strength, flexibility, stability, balance and brain training protocols and methods; and (c) metabolic health and nutrition programs.

The total investment necessary to begin operation of a THE EXERCISE COACH® studio is $262,735 to $481,369. This includes $164,540 to $215,589 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of 2 to 3 THE EXERCISE COACH® studios under an Area Development Agreement is $302,735 to $548,869. This includes $204,540 to $283,089 that must be paid to the franchisor or affiliate.

This Disclosure Document summarizes certain provisions of your franchise agreement, area development agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document**.

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the franchisor at 531 Telser Rd., Lake Zurich, Illinois 60084 or by phone at (855) 400-5250.

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission (the "FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 20, 2026 (amended April 30, 2026)

How to Use this Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or EXHIBIT "G".
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or EXHIBIT "H" includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only THE EXERCISE COACH® studio in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a THE EXERCISE COACH® franchisee?	Item 20 or EXHIBIT "G" lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in EXHIBIT "A".

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement and area development agreement require you to resolve disputes with the franchisor by mediation and/or litigation only in Texas. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Texas than in your own state.

2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise.

3. **Minimum Payments.** You must make minimum royalty, advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

4. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

TABLE OF CONTENTS

ITEM 1	FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2	BUSINESS EXPERIENCE	3
ITEM 3	LITIGATION	3
ITEM 4	BANKRUPTCY	3
ITEM 5	INITIAL FEES	4
ITEM 6	OTHER FEES	6
ITEM 7	ESTIMATED INITIAL INVESTMENT	11
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	15
ITEM 9	FRANCHISEE'S OBLIGATIONS	19
ITEM 10	FINANCING	20
ITEM 11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	20
ITEM 12	TERRITORY	31
ITEM 13	TRADEMARKS	33
ITEM 14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	34
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	35
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	36
ITEM 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	36
ITEM 18	PUBLIC FIGURES	39
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	39
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	39
ITEM 21	FINANCIAL STATEMENTS	52
ITEM 22	CONTRACTS	52
ITEM 23	RECEIPT	52

EXHIBIT "A"	LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
EXHIBIT "B"	FRANCHISOR'S AGENT FOR SERVICE OF PROCESS
EXHIBIT "C"	FRANCHISE AGREEMENT
EXHIBIT "D"	AREA DEVELOPMENT AGREEMENT
EXHIBIT "E"	OTHER AGREEMENTS
EXHIBIT "E"-1	STATE ADDENDA
EXHIBIT "E"-2	GENERAL RELEASE
EXHIBIT "E"-3	FRANCHISEE PARTICIPATION AND SOFTWARE LICENSE AGREEMENT
EXHIBIT "E"-4	FRANCHISE RESALE AGREEMENT
EXHIBIT "F"	TABLE OF CONTENTS OF BRAND STANDARDS MANUAL
EXHIBIT "G"	LIST OF FRANCHISEES
EXHIBIT "H"-1	AUDITED FINANCIAL STATEMENTS FOR EXERCISE COACH USA, LLC
EXHIBIT "H"-2	UNAUDITED PROFIT AND LOSS STATEMENT FOR EXERCISE COACH USA, LLC
EXHIBIT "I"	STATE EFFECTIVE DATES
EXHIBIT "J"	RECEIPTS

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any document relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

  (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

  (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

  (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

  (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchised business offered under this Disclosure Document is for a business that provides a comprehensive system of personal training to optimize longevity and health span under the name THE EXERCISE COACH® (a "Studio"). To simplify the language in this Disclosure Document, "you" means the person who buys a franchised Studio – the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company. "We," "us" and "the Company" mean Exercise Coach USA, LLC – the franchisor.

Corporate Information

Exercise Coach USA, LLC is an Illinois limited liability company that was organized on November 2, 2009. Our principal business address is 531 Telser Rd., Lake Zurich, Illinois 60084. We also maintain a place of business in Texas for our regional headquarters (although it is not our principal place of business). Our telephone number is (855) 400-5250. Our agents for service of process are disclosed in EXHIBIT "A" (for franchise registration states) and EXHIBIT "B" (for other states). We do not do business under any names other than our legal name, Exercise Coach USA, LLC, and our trade name, The Exercise Coach®.

Business History

We began offering franchises for Studios in July of 2011. We engage in no business activities other than offering Studio franchises and administering the franchise system. We have never offered franchises in any other line of business. We have never directly owned and operated a Studio.

Predecessors, Parents and Affiliates

We do not have any predecessors or parent companies. None of our affiliates offer, or ever offered, franchises in this or any other line of business. We have no affiliates that provide products or services to franchisees other than: (a) Gymbot, LLC ("Gymbot"), which shares our principal business address; and (b) Synaptifit, LLC d/b/a FranBoost ("FranBoost"), which has a principal business address of 333 3rd Ave. North, Ste. 411, St. Petersburg, Florida 33701. Neither Gymbot nor FranBoost have ever operated a Studio.

Gymbot owns specialized and proprietary exercise equipment and the associated software and technology used to operate the equipment ("EXERBOTICS® Equipment"). Gymbot sells EXERBOTICS® Equipment to franchisees, and licenses the associated software and technology, pursuant to the Franchisee Participation and Software License Agreement attached to this Disclosure Document as EXHIBIT "E"-3 (the "Participation Agreement"). You must sign the Participation Agreement at the same time you sign the Franchise Agreement. Gymbot also sells EXERBOTICS® Equipment (and licenses the associated software and technology) to unaffiliated third parties, but only to the extent permitted by the Participation Agreement. Gymbot also sells certain non-proprietary exercise equipment to franchisees.

FranBoost is a digital marketing services provider that offers marketing campaign management, lead generation optimization and analytics services to franchisees using proprietary technology platforms, advertising strategies and reporting tools. FranBoost is a required supplier for digital marketing services.

Description of Franchised Business

THE EXERCISE COACH® franchise offered under this Disclosure Document is for a business that provides a comprehensive system of personal training to optimize longevity and health span. Studios provide these services utilizing a system that includes: (a) proprietary and technologically-advanced equipment; (b) evidence-based strength, flexibility, stability, balance and brain training protocols and methods; and (c) metabolic health and nutrition programs. Studios offer clients a unique, personalized, and guided experience designed to maximize their results. Studios utilize Gymbot's proprietary technology and other technology to: (a) perform a meaningful field evaluation of an individual's current body composition, mobility and strength levels; and (b) determine appropriate exercises to match the individual's unique muscular make-up. Gymbot's customizable strength-testing and training technology allows us to design protocols that are safe and effective for the 50+ population and well-suited for adults of all fitness levels and backgrounds.

Clients may choose between one-on-one and small-group personal strength training, one-on-one Coach-Assisted Stretching, or Strength Plus plans that include a variety of modalities such as strength, stretching, stability, balance and brain training. Strength Plus plans can be purchased on a semi-annual and annual basis, while all other services can be purchased on a month-to-month basis or as session packs (stretching and stability/balance only). From time to time, we may also establish strategic business relationships with vendors, insurance companies, third-party payers and others at discounted rates in order to enhance the franchise system or expand our client base ("Strategic Relationships"). For example, we negotiated Strategic Relationships that allow Studios to accept clients for personal training under programs such as, OnePass, Silver&Fit® and Active&Fit®. These programs, and Strategic Relationships, may change from time to time.

THE EXERCISE COACH® business model is suitable for both retail and non-retail (office, professional, industrial, flex) locations. Studios typically range in size from 800 to 2,000 square feet.

If we award you a franchise, you must sign the form of franchise agreement attached to this Disclosure Document as EXHIBIT "C" (the "Franchise Agreement"). We refer to the franchised business you purchase as your "Business" or your "Studio". The Franchise Agreement grants you a license to use certain service marks, trademarks, trade names and logos, including the service mark THE EXERCISE COACH® (collectively, the "Marks"). The Marks also include our distinctive trade dress used to identify a Studio or the products or services it sells. The Franchise Agreement also grants you a license to use our system that was developed for the operation of a Studio (the "System"). Our confidential Brand Standards Manual (the "Manual") describes the operational aspects of a Studio. You will operate your Studio as an independent business using the Marks, the System, the information in the Manual, and the support, guidance and other methods and materials we provide.

Area Development Rights

If you satisfy our criteria for multi-unit developers, we may (but need not) offer you the right to sign the form of Area Development Agreement attached to this Disclosure Document as EXHIBIT "D" (the "ADA"). The ADA grants you the right and obligation to develop, open and operate multiple Studios within a defined "development territory" according to a predetermined "development schedule". You must develop, open and operate all Studios listed in the development schedule. We only grant area development rights to franchisees who commit to develop, open and operate a minimum of 2 Studios. You must sign a separate franchise agreement for each Studio you develop. Each franchise agreement will be our then-current form of franchise agreement, which may be different than the form of Franchise Agreement attached to this Disclosure Document. However, the royalty and brand fund fee imposed under each Franchise Agreement will be no higher than the royalty and brand fund fee imposed under the 1st Franchise Agreement you sign under the ADA.

Market and Competition

The general market for personal training studios is highly-developed and very competitive. The target market for THE EXERCISE COACH® clients includes adult men and women of all fitness levels, with a focus on adults 50 years of age and older. THE EXERCISE COACH® differentiates itself by providing evidence-based protocols and technology-enabled equipment (a "digital-physical ecosystem") that have been proven safe and effective for the underserved and fast-growing 50+ aged market of the fitness industry.

There are many national, regional and local businesses offering personal training programs from fitness studios. Some are independently-owned and operated. Others consist of regional or national chains. Some of our competitors operate under a franchise model. Due to the unique nature of the technology utilized and target demographic served by THE EXERCISE COACH® Studios, we do not consider other personal training studios to be direct competitors. Our indirect competitors include national brands such as Orange Theory®, CrossFit® and Club Pilates®, all of which: (a) cater primarily to younger and middle-aged adults; (b) are limited to group fitness models; and (c) use standard, commercially available fitness equipment. Other indirect competitors to our newer Coach-Assisted Stretch services include Stretch Zone® and Stretch Lab®, although neither of these competitors offer strength, stability, balance, brain or metabolic health and nutrition coaching services.

Laws and Regulations

You must comply with all local, state and federal laws that apply to businesses generally, including laws

governing discrimination and sexual harassment in the work place, minimum wage, smoking in public areas, unsolicited marketing, and EEOC/OSHA standards. The Americans with Disabilities Act requires readily accessible accommodations for disabled people and may affect your building construction, site design, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. Building codes and requirements vary in different jurisdictions and it is important for you and your architect to be aware of and comply with all local laws.

Your Studio may be subject to federal, state and local laws regulating the health and fitness industry, including:

- health clubs laws regulating the content and form of consumer contracts signed by members and requiring posting of a bond and/or escrowing of membership fees collected prior to opening
- laws requiring that fitness facilities have: (a) a staff member onsite who is certified in basic cardiopulmonary resuscitation or other specialized medical training; and/or (b) an automated external defibrillator (AED) and/or other first aid equipment onsite
- laws requiring that fitness facilities post certain information regarding steroids and other drug use
- laws regulating the types of supplements that may be sold
- laws regulating the offer and sale of memberships or prepaid services packages
- laws requiring prescribed disclosures of information in consumer contracts that offer financing (including the federal Truth In Lending Act)

The Payment Card Industry Data Security Standard ("PCI") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accept, transmit or store any cardholder data.

There may be other local, state and/or federal laws or regulations that apply to your Studio. We strongly suggest that you investigate these laws before buying this franchise.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer/Manager: Brian R. Cygan

Brian R. Cygan has served as our co-founder, Chief Executive Officer and Manager since November 2009. He has also served as: (a) a Co-Managing Partner of FranBoost since January 2024; (b) Chief Executive Officer and a Managing Member of Gymbot since September 2014; and (c) founder and Chief Executive Officer of Innovative Fitness Equipment, Inc. since January 2010. From November 2000 through December 2022, Brian owned and operated Studios through an affiliated entity, Strength for Life, LLC. All positions have been held in or near Lake Zurich, Illinois.

Chief Operating Officer: Brad Bundy

Brad Bundy has served as our Chief Operating Officer since April 2015. He has also served as: (a) a Co-Managing Partner of FranBoost since January 2024; and (b) a Managing Member of Gymbot since December 2019. From October 2013 to present, Brad has also owned and operated Studios through his affiliated entity, Tri-County Fitness, LLC. All positions have been in Houston, Texas.

Wellness Director: Gerianne M. Cygan

Gerianne M. Cygan has served as our co-founder and Wellness Director since November 2009. She has also served as co-founder of Innovative Fitness Equipment, Inc. since January 2010. From November 2000 through December 2022, Gerianne owned and operated Studios through an affiliated entity, Strength for Life, LLC. All positions have been held in or near Lake Zurich, Illinois.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee

You pay us a nonrefundable $49,500 initial franchise fee when you sign the Franchise Agreement. The initial franchise fee is used for initial sales, development and pre-opening/opening support. Qualified veterans receive a 10% discount on the initial franchise fee (the initial franchise fee is reduced to $44,550). "Qualified veteran" means an honorably discharged United States veteran with a DD Form 214. The initial franchise fee is uniformly imposed except as discussed above for qualified veterans and below for area developers.

Initial Training Fee

At the time you sign the Franchise Agreement, you pay us a nonrefundable $5,000 initial training fee for our pre-opening initial training program that includes: (a) franchise management training for up to 4 people ("Management Training"); and (b) General Strength and Conditioning certification training ("GSC Certification Training") and Coach-Assisted Stretching, Balance and Brain certification training ("SBB Certification Training") for your initial coaches.

If you send more than 4 trainees to Management Training, we may charge an additional $625 initial training fee for each trainee in excess of 4. We have not imposed this training fee in the past but reserve the right to do so.

If you sign an ADA we may, at our option, waive Management Training (and the associated $5,000 initial training fee) for a given Studio if your Managing Owner, and all of the Studio's initial managers, successfully completed Management Training on a prior occasion. If this occurs: (a) your existing coaches must provide GSC Certification Training and SBB Certification Training (utilizing the online tools and resources available through our Learning Management System) to any new coaches you hire for the Studio; and (b) you must pay us a certification training fee of $250 for each person who registers for GSC Certification Training and $550 for each person who registers for SBB Certification Training.

The $5,000 initial training fee is uniformly imposed, subject to our right to waive the training fee for area developers under the circumstances described above.

Multi-Unit Operator Training Program Fee

If you sign an ADA, you pay us a nonrefundable $2,500 training fee for our Multi-Unit Operator Training Program ("MUO Training") at the time you sign each Franchise Agreement under the ADA (excluding the 1st Franchise Agreement). MUO Training is described in more detail in Item 11. The $2,500 training fee covers MUO Training for up to 3 people. For the sake of clarity, you must pay us both sets of training fees when you sign each Franchise Agreement (excluding the 1st Franchise Agreement), including the: (a) $5,000 initial training fee for Management Training (unless waived by us under the circumstances described above); and (b) $2,500 training fee for MUO Training (unless waived by us under the circumstances described below).

If your Managing Owner and other management personnel have successfully completed MUO Training on a prior occasion, then we may, at our option, waive MUO Training (and the associated $2,500 training fee) for the 3rd Franchise Agreement (and/or subsequent Franchise Agreements) that you sign under the ADA.

The $2,500 MUO Training fee is uniformly imposed, subject to our right to waive the training fee under the circumstances described above.

Equipment Package

Prior to opening, you must purchase our designated equipment package that includes all EXERBOTICS® Equipment and all non-proprietary exercise and health-related equipment that will be used at your Studio (the "Equipment Package"). You purchase the Equipment Package from our affiliate, Gymbot. Gymbot arranges for the: (a) shipment and installation of the equipment at your Studio; and (b) configuration and setup of your EXERBOTICS® Equipment. Our current Equipment Package includes the following (3 items are optional):

EQUIPMENT PACKAGE		
ITEMS PURCHASED	**QUANTITY**	**ESTIMATED COST**
EXERBOTICS® Leg Press Machine	1	$16,000
EXERBOTICS® Combination Chest/Row Machine	1	$13,999
EXERBOTICS® Combination Shoulder Press/Pull-Down Machine	1	$13,999
EXERBOTICS® Nucleus Core/Back Extension Machine	1	$13,999
EXERBOTICS® 360 Trainer	1	$2,995
EXERBOTICS® Balance Tracker	1	$1,600*
EXERBOTICS® Cross Fire (optional)	0 or 1	$0 to $13,999
EXERBOTICS® Squat/Deadlift Machine (optional)	0 or 1	$0 to $17,500
EXERBOTICS® Leg Extension/Leg Curl Machine (optional)	0 or 1	$0 to $13,999
Nautilus (or equivalent) Abduction/Adduction Machine	1	$4,695
Tuff Stuff (or equivalent) Multi-Trainer Machine	1	$5,095
InBody 270 Body Composition Scale	1	$5,995
SciFit Pro 2 Recumbent Bikes w/ Arm Ergometry (or equivalent)	2	$10,888
EarthLite (or equivalent) Professional Hi-lo Stretch Tables	2	$3,658
Stretch Area Accessories**	various	$3,350
Estimated Shipping, Installation and Setup Costs		$10,267 to $14,318
Total Cost		$106,540 to $156,089

* You will rent, rather than purchase, the Balance Tracker™ (Balance and Brain Technology Equipment) for a $799 monthly fee (rounded to $800). The monthly fee includes the equipment, associated software licenses and warranty work. Prior to opening, you pay the first and last monthly fee (totaling $1,598 – rounded to $1,600). The next monthly payment is due the 2nd month after the equipment is delivered to your Studio.

** Includes ProFlex, Cameras, Tripod, Bolsters, Table Covers, Foam Rollers, Rolling Stools, Wall Rack, Shoe Rack with Bench, Horizontal Clip Boards and Room Dividers.

The purchase price, together with estimated shipping, installation and setup costs, is due in full at the time the order is placed. Shipping, installation and setup costs vary depending on the distance between your Studio and (a) our headquarters and (b) the location from which the equipment is shipped. If the actual installation and setup costs exceed the estimated amount, you will be invoiced for the difference. If the actual installation and setup costs are less than the estimated amount, we may, at our option, choose between: (a) refunding the difference to you; or (b) issuing you a credit against royalty fees or other amounts you owe us. Equipment costs vary depending on whether you choose to purchase any of the optional equipment. The purchase price is nonrefundable and uniformly imposed, except as otherwise noted above. We and Gymbot reserve the right to change the items included in the Equipment Package, and the associated pricing, at any time. We also reserve the right to require you to purchase some (or all) equipment included in the Equipment Package directly from third-party suppliers, in which case you do not pay Gymbot for that equipment.

Reimbursement of Legal Fees for Lease-Related Services

If you lease the premises for your Studio, you must hire a real estate attorney to review and negotiate the terms of your lease and ensure the landlord signs our required form of Lease Addendum. We may waive this obligation if you are a licensed real estate attorney or broker. If you do not hire an attorney to review and help negotiate your lease and we do not waive the requirement for you to do so, then: (a) our real estate attorney must review the lease (to ensure the terms are consistent with our brand standards) and negotiate our required Lease Addendum (if the landlord does not agree to sign our standard form); and (b) you must reimburse us for the legal fees imposed by our attorney to provide these services. We estimate the legal fees would range from $3,500 to $5,000. The reimbursed legal fees would be nonrefundable. We have not required reimbursement of legal fees in the past, but reserve the right to do so in the future.

Development Fee (ADA)

If you sign an ADA, you pay a $49,500 initial franchise fee for your first Studio and a discounted initial franchise fee for each additional Studio you commit to develop under the ADA. The amount of the initial franchise fee for a Studio, and the total development fee, varies according to the following table:

Studio Purchased	Initial Franchise Fee	Total Development Fee
1	$49,500	-
2	$40,000	$40,000
3	$25,000	$65,000
4	$25,000	$90,000
5 (and any additional Studios)	$20,000 (per Studio)	$110,000 + $20,000 per Studio for each additional Studio under ADA

At the time you sign the ADA, you pay us: (a) the full $49,500 initial franchise fee for your 1st Studio; and (b) the entire development fee. Most area developers purchase the right to develop between 2 and 3 Studios, which results in development fees ranging from $40,000 to $65,000. The development fee includes, and is deemed to satisfy, the initial franchise fee for each Studio you develop pursuant to the ADA (excluding the 1st Studio). However, you must still satisfy our minimum financial and performance criteria at the time you sign each Franchise Agreement. If you fail to do so, you may not sign additional Franchise Agreements or open additional Studios. The development fee is nonrefundable (even if we terminate the ADA) in consideration of the lost opportunities we forfeit by granting you protected territorial rights to the development territory under the ADA. Qualified veterans receive a 10% discount on the initial franchise fee for the 1st Studio developed under the ADA (the initial franchise fee is reduced to $44,550). In 2025, we collected Development Fees ranging from$44,550 to $109,550. Development fees are uniformly imposed except as otherwise described above.

ITEM 6 OTHER FEES

TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Royalty Fee	Greater of (a) 6% of Gross Sales or (b) $1,000 per month (royalty fee waived for 1st full or partial month after Studio's opening date)	7th day after end of each reporting period	Our current reporting period runs from the 1st through the last day of each month. We may change the reporting period (e.g. to a weekly period) and royalty fee due date upon 30 days' prior notice. You must send us Gross Sales reports unless we elect to automatically generate these reports from your POS system.
Brand Fund Fee	1% of Gross Sales	Same as royalty fee	You must contribute this amount to the Brand Fund we administer. You have no voting rights pertaining to the administration of the Brand Fund, the creation or placement of advertising, or the amount of the brand fund fee.
Digital Marketing Fee	Up to $1,000 (currently $790 per month)	Same as royalty fee	You pay this fee to our affiliate FranBoost for digital marketing services. The digital market fee is credited towards your required expenditures for Local Marketing. We may change the digital marketing fee upon 30 days' notice.
Local Marketing (during post-opening Grand Opening Period)	$15,000 during the 90-day post-opening phase of your Grand Opening Period	As incurred during 90-day period after your Studio's opening date	During the 90-day post-opening phase of your Grand Opening Period, you must spend at least $15,000 on approved advertising and marketing in your local market to promote your Studio.

TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Local Marketing (after Grand Opening Period)	$4,000 per month (pro-rated 1st month based on the date your Grand Opening Period expires)	Monthly, as incurred	This is the minimum amount you must spend to advertise your Studio in your local market after your Grand Opening Period expires (the "Local Marketing Commitment"). Brand fund fees, and advertising expenditures you incur during the Grand Opening Period, are not credited towards your Local Marketing Commitment.
Cooperative Advertising Fee	Up to $2,000 per month	Same as royalty fee	Company-owned outlets have the same voting power as franchised outlets in a cooperative. If a majority of outlets are company-owned, we will not increase the fee without the majority vote of franchised outlets in favor of the fee increase. Cooperative advertising fees are credited against your Local Marketing Commitment.
Training Fee	Up to $500 per person per day (plus Travel Expenses for onsite training)	10 days after invoice	Imposed for each person who attends (a) initial training after you open (new Managing Owner or manager), (b) repeat training after failing prior attempt, (c) remedial training, (d) refresher or supplemental training or (e) training you request. You must also reimburse our Travel Expenses for onsite training at your Studio.
Certification Fees	*[GSC Certification]* Up to $250 per person per certification *[SBB Certification]* Up to $550 per person per certification	10 days after invoice	Imposed for each coach who registers for GSC (General Strength & Conditioning) Certification Training or SBB (Coach-Assisted Stretch) Certification Training. We may require periodic recertification training, which would require payment of an additional certification fee.
Conference Registration Fee	Up to $500 per person per day	10 days after invoice	We may hold conferences to discuss matters affecting franchisees. **Attendance is mandatory** unless (a) we designate attendance as optional or (b) we waive your obligation to attend based on showing of good cause. If you fail to attend a required conference without a waiver, you must pay the conference registration fee despite your non-attendance (we will send you a copy of any written materials distributed at the conference).
Technology Fee *(proprietary technology)*	Up to $1,000 per month (currently $518 per month - see Note 4)	10 days after invoice or as we otherwise specify (begins 1st full month after EXERBOTICS® Equipment is installed)	Includes amounts you pay us and Gymbot for Technology Systems, including (a) amounts paid for proprietary items and (b) an administrative fee for managing the technology platform and negotiating/managing relationships with third-party licensors.
Technology Fee *(third-party technology)*	Up to $750 per month (currently $596 per month - see Note 5)	10 days after invoice or as we otherwise specify	Includes amounts we collect from you and remit to unaffiliated licensors of software/technology. Does not include fees you pay to third parties.
EXERBOTICS® Balance Tracker	$799 per month	10 days after invoice or as we otherwise specify	You pay Gymbot a $799 monthly fee for this equipment and associated licenses. The first and last months' payment are included in the purchase price for the Equipment Package.

TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Legal Support Fee	Up to $500 per occurrence (not currently imposed)	10 days after invoice	We may impose this fee if we incur additional legal fees due to your actions or requests, such as amending or changing contracts to accommodate your requests, making changes to your territory that you request, or causing our lawyer to send legal notices if you stop communicating with us.
System Program Fees	Up to $100 per month (not currently charged)	10 days after invoice or as we otherwise specify	You must participate in client loyalty, gift card and membership programs we establish and pay required fees and program contributions to us or a third-party to administer the program.
Product Purchases	Varies by item purchased	10 days after invoice	We and our affiliates may serve as System suppliers for goods or services you purchase. We will provide you with a price list upon request.
New Product or Supplier Testing	$50 per hour for time spent reviewing/testing proposed supplier or product/service plus reimbursement of any Travel Expenses and other costs we incur	10 days after invoice	Imposed if you request approval of an alternate product, service or supplier proposed by you. You must pay the hourly fee for time we incur evaluating your request and reimburse our out-of-pocket expenses to test the product (e.g., cost to buy samples or pay for third-party testing) or evaluate the supplier (e.g., Travel Expenses to visit the supplier's facility).
Relocation Fee	$2,500	At time we approve request to relocate	Imposed if we approve your request to relocate your Studio to cover the support we provide.
Renewal Fee	20% of non-discounted initial franchise fee we impose at time you renew	At time you sign renewal agreement	Imposed if you renew your franchise rights by signing a renewal Franchise Agreement.
Franchise Resale Commission Reimbursement	Reimbursement of all commissions and other compensation we must pay our employees or third-parties relating to the sale	At time of franchise sale	We offer an optional service to help franchisees sell their business. To use this service, you must sign a Franchise Resale Agreement (attached as EXHIBIT "E"-4) and reimburse commissions we pay to employees or third parties for the sale.
Transfer Fee	*[Franchise Agreement]* $15,000 (or $7,500 if the buyer is an existing franchisee in our system) *[ADA]* $25,000 (covers transfer fee under all Franchise Agreements transferred to buyer)	Before Transfer	You pay the transfer fee for all Transfers other than Permitted Transfers. The $7,500 fee covers all Transfers if you Transfer multiple Studios to an existing franchisee. If our broker finds the buyer, you must also reimburse us for all commissions we pay the broker. If you sign a Franchise Resale Agreement, you pay us both a transfer fee and a franchise resale service fee.
Reimbursement of Quality Assurance Program Costs	Actual cost paid to company we hire	10 days after invoice	If we hire a person or company to inspect your Studio, you must reimburse us for all amounts we pay them for the inspection.
Reimbursement of Reinspection Costs	All Travel Expenses and other costs we incur to inspect your Studio	10 days after invoice	Imposed if we inspect your Studio to determine if you cured a (a) health or safety issue identified by a government agency or (b) breach of system standards we brought to your attention.
Audit Fee	Actual cost of audit (including Travel Expenses for audit team)	10 days after invoice	Imposed if an audit (a) is necessary because you fail to send us required information or reports in a timely manner or (b) reveals you understated Gross Sales by 3% or more.

TYPE OF FEE [1]	AMOUNT [2, 3]	DUE DATE	REMARKS
Late Fee	$100 plus default interest at lesser of (a) 18% per annum (prorated on daily basis) or (b) highest rate allowed by applicable law	10 days after invoice	If our debit of your account is rejected or your check is returned for insufficient funds, we may charge (in addition to the late fee) an NSF fee of $50 per incident. Default interest is limited to 10% per annum in California.
Noncompliance fee	Up to $500 per incident	Upon demand	Imposed if you breach a mandatory standard or operating procedure (including submission of required reports) and fail to cure within the time period we require. We may impose an additional $500 fee every 48 hours the breach remains uncured after we impose the initial fee. We will deposit these fees into the Brand Fund if we administer a Brand Fund at that time.
Default Reimbursements	All costs we incur to cure your default	10 days after invoice	If you fail to cure a breach of the Franchise Agreement or our brand standards in the time period we require, we may take steps to cure on your behalf and you must reimburse us for our costs (examples include failure to pay suppliers, maintain insurance or meet quality standards).
Management Fee	Up to $275 per day during time we manage Studio	10 days after invoice	If you fail to cure a Franchise Agreement default or Managing Owner dies, we can designate a person to manage your Studio until the default is cured or Managing Owner replaced.
Indemnification	Amount of our damages, losses or expenses	10 days after invoice	You must indemnify us for losses and expenses we incur due to your operation of the Studio or breach of the Franchise Agreement.
Attorneys' Fees and Costs	Amount of attorneys' fees and costs we incur	Upon demand	You must reimburse us for all attorneys' fees and costs we incur relating to your breach of the Franchise Agreement or any related agreement.
Liquidated Damages	$75,000 if more than 5 years left under the term; otherwise 2 years (or number of months left under term if less than 2 years) of royalty & brand fund fees – see note 6	30 days after invoice	Imposed if we terminate due to your default or you terminate in any manner not permitted by the Franchise Agreement.
Prepaid Liabilities	Amount of your Studio's total outstanding Prepaid Liabilities	At time of Transfer, expiration or termination of Franchise Agreement	Under current policy you may sell a package of sessions (a "Package") and retain all proceeds from these sales (including Prepaid Liabilities for unredeemed sessions). We may require you to pay the total amount of your Prepaid Liabilities to us (upon termination or expiration of the Franchise Agreement) or to the purchaser of your Studio (as a condition to Transfer). We may also require you to purchase a surety bond to satisfy Prepaid Liabilities if the Studio closes.

Notes:

1. Nature and Manner of Payment: All fees are imposed by and payable to us except: (a) you pay the cooperative advertising fee directly to the cooperative (we may instead require you to pay this fee to us, in which case we remit the fee to the cooperative on your behalf); (b) you spend the Local Marketing Commitment directly with third-party suppliers (other than the digital marketing fee); (c) you pay certain technology fees and the monthly fee for the EXERBOTICS® Balance Tracker to Gymbot; and (d) you pay digital marketing fees to FranBoost. We reserve the right to collect and pass through fees on behalf of our

affiliates, suppliers and Strategic Relationship Partners (all such fees are currently disclosed in Item 5 or Item 6, as applicable). All fees are nonrefundable and uniformly imposed. You must sign an ACH Authorization Form (attached to the Franchise Agreement as ATTACHMENT "E") permitting us to electronically debit your designated bank account for all amounts owed to us and our affiliates (other than fees due less than 15 days after signing the Franchise Agreement). You must deposit all Gross Sales into the bank account and ensure sufficient funds are available for withdrawal before each due date.

2. Definitions: As used in this Disclosure Document, the following capitalized terms have the meanings given to them below:

"***Brand Fund***" means the brand and system development fund we currently administer to promote public recognition of our brand and improve our System.

"***Grand Opening Period***" means the period of time beginning 30 to 90 days before your Studio's projected opening date and ending 90 days after your Studio's opening date.

"***Gross Sales***" means all gross sums collected or invoiced from goods and services sold by your Studio (including memberships) or that otherwise relate to your Studio (e.g., advertising revenue, sponsorship fees or business interruption insurance proceeds). Gross Sales excludes: (a) sales or use taxes; (b) revenue from the sale of furniture, fixtures and equipment in the ordinary course; and (c) client refunds. Gross Sales also excludes the retail value of: (a) comped sessions provided to Owners and Studio employees (no monthly cap); and (b) up to 10 comped sessions per month (the "Monthly Allowance") provided to friends or family of Owners or Studio employees. Gross Sales includes the full retail value of any free or discounted goods or services provided to friends or family of Owners or Studio employees in excess of the Monthly Allowance, unless the same pricing is available to the general public as part of an approved promotional program in effect at the time. The Manual may include policies governing the calculation of Gross Sales relating to: (a) proceeds from the sale of gift cards, memberships or Packages (or other Prepaid Liabilities); (b) qualifying purchases and redemptions by members under a loyalty or membership program.

"***Managing Owner***" means the owner you appoint and we approve with primary responsibility for the overall management and operation of your Studio.

"***Permitted Transfer***" means a Transfer: (a) between existing owners; (b) by the owners to a new business entity that is 100% owned and controlled by the transferring owners; or (c) of less than 20% of the ownership interests in the franchised business. It does not include a Transfer described in (a), (b) or (c) that results in the Managing Owner owning less than 20% of the franchised business.

"***Prepaid Liabilities***" means the total amount of outstanding prepaid liabilities carried by your Studio as a liability for unredeemed gift cards, Packages, memberships or other prepaid items purchased by clients from your Studio (provided that we allow you to retain all proceeds from these sales).

"***TEC Apps***" means Gymbot's proprietary THE EXERCISE COACH Health Platform™, which provides a real-time data stream of strength and other measures from EXERBOTICS® and other tech-enabled Equipment to Studio clients via web-based and/or mobile applications (currently web-based only).

"***Technology Systems***" means the TEC App, the software and technology associated with EXERBOTICS® Equipment, any and all other information and communication technology systems that we designate, including computer systems, point-of-sale systems, online scheduling systems, data management systems, webcam systems, telecommunications systems, security systems, music systems and similar systems and related equipment, software applications, mobile apps and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems.

"***Transfer***" means a transfer or assignment of: (a) the Franchise Agreement or ADA (or an interest in either such agreement); (b) the Studio's assets (other than the sale of furniture, fixtures or equipment in the ordinary course); (c) an ownership interest in the entity that is the "franchisee" or "area developer"; or (d) the franchised business you conduct under the Franchise Agreement or ADA.

"***Travel Expenses***" means all travel, meals, lodging, local transportation and other living expenses incurred:

(a) by us and our trainers, field support personnel, auditors or other representatives to visit your Studio; or (b) by you or your personnel to attend training programs or conferences.

3. CPI Adjustments: All fees (and minimum fees) expressed as a fixed dollar amount are subject to adjustment based on changes to the Consumer Price Index in the United States (CPI). We may periodically review and increase these fees based on changes to CPI, but only if the increase to CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of the Franchise Agreement (for the initial fee adjustment); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before it goes into effect. We may implement no more than 1 fee adjustment during any 5-year period.

4. Technology Fee (proprietary technology): As of the issuance date of this Disclosure Document, Gymbot charges a technology fee of $518 per month. If you live in a state that charges sales tax for technology or software fees, you must also pay sales tax on this amount. Currently, this fee is paid to Gymbot for certain technical services associated with: (a) EXERBOTICS® Equipment, including database management, data backup services, asset management and equipment maintenance; and (b) TEC Apps.

5. Technology Fee (third-party technology): As of the issuance date of this Disclosure Document: (a) Gymbot collects (and remits to the associated licensor) a technology fee of $299 per month for our designated mobility software; and (b) we collect (and remit to the associated licensors) the following technology fees:
   - $29 per month for our designated business intelligence platform, FlexBI
   - $5 per month per employee license for the business productivity software (2 to 4 licenses required)
   - $248 per month for our designated customer relationship management (CRM) with phone/SMS system

6. Liquidated Damages: You must pay us liquidated damages if: (a) we terminate the Franchise Agreement due to your default; or (b) you terminate the Franchise Agreement prior to its expiration date (except in accordance with the provisions governing your right to terminate following our uncured breach). If the termination occurs with more than 5 years left under the term of the Franchise Agreement, the amount of liquidated damages is $75,000. If the termination occurs with less than 5 years left under the term, then liquidated damages are calculated as the sum of average monthly royalty fees and brand fund fees imposed during the 12-month period preceding termination (or your entire period of operation if less than 12 months) multiplied by the lesser of: (a) 24; or (b) the total number of months remaining under the term. If you pay us liquidated damages in a timely manner, we will not pursue a claim against you for lost profits. However, payment of liquidated damages does not prevent us from seeking other damages we incur due to your breach, unless we and you agree otherwise in a signed settlement agreement.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE [1]	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	$49,500	Lump sum	At time you sign Franchise Agreement	Us
Initial Training Fee [2]	$5,000	Lump sum	At time you sign Franchise Agreement	Us
Initial Training Expenses [3]	$1,500 to $10,000	As incurred	During training	Hotels, restaurants and airlines
Legal Fee Reimbursement [4] (lease review services)	$3,500 to $5,000	As incurred	Before opening	Us or your Attorney
Lease Deposit & Rent [5] (3 Months)	$8,000 to $24,000	Lump sum	Monthly (with security deposit paid before opening)	Landlord
Utilities Deposits	$100 to $1,000	As incurred	Before opening	Utilities companies

YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE [1]	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Construction [6]	$0 to $85,000	As incurred	Before opening	Architect, contractors & suppliers
Interior & Exterior Signage [7]	$2,300 to $8,000	Lump sum	Before opening	Suppliers
Decorating, Cleaning Station, Furniture, Fans & Furnishings	$4,200 to $6,315	As incurred	Before opening	Suppliers
Equipment Package [8]	$106,540 to $156,089	Lump sum	Before opening	Gymbot
Technology Systems [9]	$2,850 to $6,850	Lump sum	Before opening	Suppliers
First Aid Equipment [10]	$1,350 to $2,100	Lump sum	Before opening	Suppliers
Opening Inventory [11]	$2,550 to $4,250	Lump sum	Before opening	Suppliers
Uniforms	$600 to $1,000	Lump sum	Before opening	Suppliers
Grand Opening Marketing Commitment [12]	$29,195 to $43,275	Lump sum	Grand Opening Period (pre- & post-opening)	Suppliers
Business Licenses	$250 to $750	Lump sum	Before opening	Government agencies
Professional Fees [13]	$4,000 to $5,240	Lump sum	Before opening	Lawyers & accountant
Insurance [14]	$800 to $1,500	Lump sum	Before opening	Insurance companies
Pre-opening Payroll [15]	$10,000 to $20,000	As incurred	Before opening	Employees
Surety Bond Premium (Initial) [15]	$500 to $1,500	As incurred	Before opening	Surety, carrier, or financial institution
Additional Funds [17] (3 months)	$30,000 to $45,000	As incurred	As incurred	Suppliers, employees and Gymbot
Total Estimated Initial Investment [18]	$262,735 to $481,369			

The table below estimates the initial investment to purchase area development rights for 2 to 3 Studios.

YOUR ESTIMATED INITIAL INVESTMENT				
TYPE OF EXPENDITURE [1]	**AMOUNT**	**METHOD OF PAYMENT**	**WHEN DUE**	**TO WHOM PAYMENT IS TO BE MADE**
Development Fee [19]	$40,000 to $65,000	Lump sum	At time you sign ADA	Us
MUO Training Fee [20] (applies to area developers)	$0 to $2,500	Lump sum	At time you sign ADA	Us
Initial Investment to Open 1st Studio	$262,735 to $481,369 (from Table above)			
Total Estimated Initial Investment	$302,735 to $548,869			

Notes:

1. Financing and Refunds: We do not offer direct or indirect financing. No amounts paid to us are refundable. We are not aware of any amounts paid to third-party suppliers that are refundable, although your landlord may refund your security deposit at the end of the lease if you do not damage the property or default.

2. Initial Training Fee: The initial training fee covers Management Training for up to 4 people as well as GSC Certification training and SBB Certification training for your initial coaches.

3. Initial Training Expenses: This estimates your expenses to send up to 4 people to one of our designated training centers (located in Smithville, Tennessee and Lake Zurich, Illinois) for initial training. Your actual training expenses may vary depending on: (a) the number of people you send to training; (b) the distance they must travel; and (c) the level and quality of accommodations, travel and dining selected. MUO

Training is conducted remotely so you do not incur any additional Travel Expenses.

4. Legal Fee Reimbursement: You are required to hire a real estate attorney to help review and negotiate your lease. If you fail to do so, our attorney will review the lease and negotiate the Lease Addendum and you must reimburse us for all legal fees we pay our attorney to provide these services.

5. Lease Deposit & Rent: This estimate assumes you lease your premises. Rent varies depending on factors such as the size and location of the premises and local market conditions. We expect most Studios will range in size from 800 to 2,000 square feet with rent ranging from $2,000 to $6,000 per month. Landlords typically require security deposits equal to 1- or 2-months' rent and may, in addition, require payment in advance of the first and/or last (or more) month's rent. The estimate in the table includes 1 month's security plus 3 months' rent. Some franchisees may choose to purchase the real estate. The cost to purchase real estate varies so widely that we cannot reasonably estimate the cost.

6. Construction: The cost of construction and leasehold improvements varies widely based on a number of factors including:
   - the size and condition of the leased space
   - whether the premises is first or second generation retail space
   - the extent and nature of existing leasehold improvements
   - the amount of landlord contributions, if any, towards leasehold improvement costs (a "TI Allowance")
   - demolition and construction costs and prevailing wage rates in the local market

   Some landlords provide a TI Allowance but increase monthly rent to recapture the TI Allowance and amortize it over the lease term (or part of the lease term). A significant factor in determining whether a landlord will provide a TI Allowance, and if so, the amount, is whether the building is first-generation or second-generation space. In some cases, no construction is required. The low estimate assumes the landlord provides a TI Allowance covering all construction costs. The high estimate assumes you do not receive any TI Allowance.

7. Signage: You must purchase and install the signage we specify. However, you may need to modify our standard signage to conform to local zoning laws, property use restrictions and/or lease terms. In some instances, exterior signage may be prohibited due to applicable zoning or use restrictions. This estimate includes the cost of interior and exterior signage.

8. Equipment Package: The items included in the Equipment Package are listed in Item 5. The estimate includes the cost of the equipment and estimated shipping, installation and setup costs. The estimate in the table assumes you choose to purchase the Equipment Package directly from Gymbot. Some franchisees finance the purchase or lease the equipment through an unaffiliated lender or leasing company. If you choose to finance or lease the equipment, your initial investment may be lower.

9. Technology Systems: This estimates your cost to purchase and set up your Technology Systems, including:
   - computer and point-of-sale system ($1,900 to $3,850)
   - audio-visual (AV) system, including 1 to 2 HD TVs and music system ($700 to $1,500)
   - music system, including 1 to 2 wireless speakers ($100 to $600)
   - security system, including 2 to 5 cameras ($100 to $500)
   - telephone system, including 1 to 2 telephones ($50 to $400)

   It does not include costs for the Technology Systems associated with your EXERBOTICS® Equipment, which are separately stated in the table above.

10. First Aid Equipment: This includes the estimated cost to purchase your AED Machine and First Aid Kit.

11. Opening Inventory: This estimates your costs to purchase an opening inventory of office supplies, cleaning supplies, safety supplies and nutritional bars and supplements.

12. Grand Opening Marketing Commitment: During the pre-opening phase of your Grand Opening Period, you must spend an amount on local advertising and marketing that equals or exceeds the minimum expenditure amount listed in the table below. The minimum expenditure amount (which includes $3,000 for print collateral material) varies based on the number of qualified households in your territory. A "qualified household" is any household with annual household income of at least $120,000.

Number of Qualified Households in Territory	Pre-opening Minimum Expenditure Amount
9,000 or fewer	$14,195 to $17,000
9,001 to 12,000	$15,800 to $19,250
12,001 to 15,000	$16,400 to $20,000
15,001 or more	$17,000 to $20,775

During the 90-day post-opening phase of your Grand Opening Period, you must spend an additional $15,000 on local advertising and marketing. The "Grand Opening Marketing Commitment" refers to the combined minimum required expenditure for both the pre-opening and post-opening phase of your Grand Opening Period. Any marketing management or administrative fees you incur are not credited towards your Grand Opening Marketing Commitment. You may choose to spend more than the minimum required amount. The low estimate assumes: (a) your territory has 9,000 or fewer qualified households; and (b) you choose to spend only the minimum required amount. The high estimate assumes: (a) your territory has 15,001 or more qualified households; and (b) you choose to spend $7,500 more than the minimum required amount.

13. Professional Fees: This includes the estimated fees for professionals you may choose to hire to:
    - help you review this Disclosure Document and negotiate your Franchise Agreement
    - advise you regarding local laws and regulations applicable to your Studio
    - form a business entity
    - set up your books, records and accounts
    - develop a business plan and budget for the development and operation of your Studio

    These services are optional but highly recommended.

14. Insurance: This estimate includes 3 months of insurance premium. Item 8 includes a description of the insurance policies you must purchase and maintain. The high estimate assumes you choose to purchase pandemic insurance, which is recommended but not required.

15. Pre-opening Payroll: You must have at least 3 certified coaches on staff before you may open. You may appoint 1 or more of your owners (or the spouse of an owner) to serve as a certified coach. This estimate includes payroll costs (including wages and payroll taxes) for 3 certified coaches during the 3-month period preceding your opening date. The low estimate assumes: (a) you hire 1 full-time employee (35-40 hours per week) as a certified coach; and (b) your other 2 certified coaches are owners (or spouses of owners) who are not on payroll. The high estimate assumes all 3 certified coaches are full-time employees.

16. Surety Bond / Financial Assurance. Before opening, you must obtain and maintain a surety bond or other form of financial assurance meeting our requirements. The required principal amount will be at least $50,000 per Studio and may be higher based on factors such as the amount of your Studio's outstanding Prepaid Liabilities, the types of prepaid plans or services your Studio offers, and our assessment of the financial exposure presented. We currently do not require a designated provider, but we reserve the right to designate, approve, or disapprove the issuer and form of financial assurance. The estimate in the table reflects only the premium or issuance costs payable during the initial phase of the business.

17. Additional Funds: This estimates your expenses during the first 3 months of operation, including payroll costs (excluding wages or salary paid to owners), technology fees and monthly payments for EXERBOTICS® Balance Tracker paid to Gymbot, software and technology fees paid to third parties, inventory replenishment costs, telephone service fees, utilities and other miscellaneous expenses and required working capital. Your initial 3 months of rent, local advertising expenditures and insurance

premium are separately stated in the table above. These figures are estimates based on: (a) the experience of our management team in developing, opening and operating company-owned Studios; and (b) the experience of our franchisees in developing, opening and operating franchised Studios.

18. Budget and Initial Investment Report: We strongly recommend you hire an accountant, business advisor or other professional to assist you in developing a budget for the construction, opening and operation of your Studio. Within 60 days after your opening date, you must send us a report, in the form we designate, listing the expenses you incur to develop and open your Studio. We may use this data to update the initial investment estimate in future versions of our Franchise Disclosure Document.

19. Development Fee: Item 5 discusses how the development fee is calculated. This initial investment estimate assumes you commit to develop either 2 Studios (low estimate) or 3 Studios (high estimate). If you purchase the right to develop more than 3 Studios, your development fee will increase. This estimate does not include your costs to develop any Studio other than the 1st Studio you develop under the ADA.

20. MUO Training Fee: If you sign an ADA, you pay us a separate $2,500 training fee for MUO Training when you sign each Franchise Agreement under the ADA (excluding the 1st Franchise Agreement). The low estimate assumes you are signing your 1st Franchise Agreement under the ADA. The high estimate assumes you are signing your 2nd (or a subsequent) Franchise Agreement under the ADA.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Source-Restricted Purchases and Leases - Generally

You must purchase or lease certain source-restricted goods and services for the development and operation of your Studio. "Source-restricted" means the good or service must meet our specifications or must be purchased from an approved or designated supplier (in some cases, an exclusive designated supplier, which may be us or an affiliate). The Manual includes our specifications and supplier list. We notify you of changes to our specifications and suppliers by email, updates to the Manual or other means of communication.

Supplier Criteria

Our criteria for evaluating suppliers include standards for: (a) quality, performance, design, appearance and price of the product or service; and (b) dependability, production capabilities, reputation and financial strength of the supplier. Upon request, we will provide you with any objective specifications pertaining to our evaluation of a supplier or product, although certain important subjective criteria (e.g., product appearance, design, functionality, etc.) are important to our evaluation but cannot be described in writing.

If you wish to purchase or lease a source-restricted item from a non-approved supplier you must send us: (a) a written request for approval; (b) product samples for testing purposes; and (c) all additional information we request. The supplier must agree to comply with our minimum insurance, indemnification and confidentiality requirements for system suppliers and allow us to periodically inspect their facility. We will notify you of our decision within 30 days after we receive all required information and product samples. We may periodically reinspect approved products and suppliers and revoke our approval if a product or supplier fails to meet our then-current criteria. You must reimburse all costs we incur, and pay our hourly fee ($50 per hour) for the time we spend, evaluating products and suppliers you propose.

Current Source-Restricted Purchases and Leases

We estimate nearly 50% of the total purchases and leases to establish a Studio and 20% of ongoing operating expenses consist of source-restricted goods or services, as further described below.

Lease

If you lease the premises for your Studio, we must approve your lease before you sign it. You must use best efforts to ensure your landlord signs the Lease Addendum attached to the Franchise Agreement as ATTACHMENT "C". We require that you hire a real estate attorney to review and negotiate the terms of your lease (we may waive this obligation if you are a licensed real estate attorney or broker). You may hire our recommended real estate attorney who has experience negotiating leases and Lease Addenda for Studios. You

may instead hire a real estate attorney of your own choosing. If you do not hire an attorney (and we do not waive the requirement for you to do so) then: (a) our real estate attorney must review the lease (to ensure the terms are consistent with our brand standards) and negotiate the Lease Addendum (if the landlord does not agree to sign our standard form); and (b) you must reimburse us for the legal fees imposed by our attorney to provide these services.

Design and Construction Services

You must hire an architect to prepare initial design plans and detailed construction plans for your Studio. We must approve all plans before construction begins. Once approved, you must construct and equip your Studio according to the approved plans and the specifications in the Manual. Your architect and general contractor must be appropriately licensed and bonded if by applicable law.

Fixtures, Furnishings and Décor

All fixtures, furnishings and décor must meet our standards and specifications. Some of these items must be purchased from suppliers we designate or approve. Others may be purchased from any supplier of your choosing.

Signage

All exterior signage must meet our standards and specifications and be purchased from suppliers we designate or approve.

Technology Systems

Your Technology Systems (including hardware, software, equipment, software applications, web apps and similar items) must meet our standards and specifications. Certain Technology System components must be purchased from approved or designated suppliers. Other components may be purchased from any supplier of your choosing. We may require you to purchase certain services relating to the establishment, use, maintenance, monitoring, security or improvement of Technology Systems from approved or designated suppliers. Your computer and POS system must meet our standards and specifications. You must purchase your POS system and license the required business management and scheduling system software from suppliers we designate. You must also license certain proprietary software and technology exclusively from Gymbot.

Exercise Equipment

All exercise and fitness-related equipment must meet our standards and specifications and be purchased only from suppliers we designate or approve. We currently require you to purchase all exercise and fitness-related equipment exclusively from Gymbot, including proprietary EXERBOTICS® Equipment and non-proprietary equipment. You must license the proprietary software used to operate the EXERBOTICS® Equipment exclusively from Gymbot. The EXERBOTICS® Equipment is not operational without the proprietary software, which may not be transferred without Gymbot's approval. Therefore, if your franchise terminates or expires, you may not be able to use the EXERBOTICS® Equipment or sell it to third parties. You must also license TEC Apps exclusively from Gymbot (but at no additional charge beyond the technology fee).

Inventory

All inventory must meet our standards and specifications. You may only sell retail items we designate, such as approved nutrition supplements. Some inventory items (such as bars and powder) must be purchased from suppliers we designate or approve. Other inventory items (such as cleaning supplies) may be purchased from any supplier of your choosing. You may not utilize or sell any inventory items that we have not approved.

Uniforms

Your employees must wear the uniforms we require. You must purchase these uniforms from a supplier we designate or approve.

Marketing and Social Media

All marketing materials must comply with our brand standards and other requirements. We must approve your marketing materials prior to use. You must purchase branded marketing materials only from us or other suppliers we designate or approve. We may require that you contract with and utilize a company we designate to: (a) develop and/or implement your grand opening marketing campaign; (b) manage your social media; and/or (c) provide other advertising and marketing materials or services. We currently require you to contract with FranBoost for digital marketing services; however, this is not to be construed as us assuming full responsibility for your lead generation. You are ultimately responsible for generating sufficient leads to grow and sustain your business in accordance with our requirements and standards. You must strictly comply with our social media policy.

Surety Bond / Financial Assurance

You must obtain and maintain a surety bond or other form of financial assurance in the amount, form and substance we require to secure your Prepaid Liabilities and related obligations. We currently do not require that you use a designated provider for this bond or other financial assurance. However, we reserve the right to designate one or more approved or designated providers and, in all cases, the issuer and form of the bond or other financial assurance are subject to our approval. Our criteria may include the issuer's financial strength, claims-paying ability, licensing status, responsiveness, administrative capabilities, policy or bond terms, exclusions, cancellation provisions, and cost.

Insurance Policies

You must obtain the minimum insurance coverage we require (whether in the Franchise Agreement or in the Manual) from licensed insurance carriers rated A or better by AM Best, including the following:

Policy Type	Minimum Coverage
"All risk" Property Insurance	Replacement Value
Comprehensive General Liability Insurance	$2,000,000 per occurrence and $4,000,000 in the aggregate*
Professional Liability Insurance	Same minimum coverage as general liability insurance
Automobile Liability Insurance	$1,000,000 per occurrence
Business Interruption Insurance	At least 12 months' coverage
Employer's Liability Insurance	As required by law
Worker's Compensation Insurance	As required by law
Landlord-Required Insurance	As required by lease (may require higher coverage than the above)
Commercial Umbrella Insurance (Optional)	No required minimum
Pandemic Insurance (Optional)	No required minimum

* The minimum required coverage is reduced to $1,000,000 per occurrence and $2,000,000 in the aggregate if you purchase commercial umbrella insurance with at least $1,000,000 in coverage (which is optional).

The required coverage and policies are subject to change. We also recommend, but do not require, that you obtain privacy and cyber liability insurance. Each policy must be endorsed to: (a) name us and our owners, officers and directors as additional insureds; (b) waive all subrogation rights against us; and (c) provide us with 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy. All polices must be occurrence-based and primary/non-contributory. We currently require you to purchase all policies (other than worker's compensation insurance) from a supplier we designate.

Purchase Agreements

We periodically negotiate purchase agreements with suppliers, including favorable pricing terms, for the benefit of franchisees. If we succeed, you may purchase these goods or services at the discounted prices we negotiate

less any rebates or other consideration paid to us. As of the date of this Disclosure Document, we have negotiated purchase agreements (including pricing terms) with suppliers for the following goods and services: filtration lease; exercise equipment; uniforms; marketing supplies; digital marketing services; public relations services; business management and operating software; health technology; and safety and sanitation equipment/supplies. We also negotiated agreements with: (a) a real estate attorney to provide lease review and negotiation services for a discounted flat fee of $3,500 (per lease); and (b) a corporate attorney to prepare and negotiate Asset Purchase Agreements for franchisees buying or selling existing Studios for a discounted flat fee of $5,500 (the corporate attorney also offers a more limited scope of services for flat fees starting at $1,500 if representing the seller or $2,000 if representing the buyer).

We and our affiliates may also purchase items in bulk and resell them to you at cost plus a reasonable markup. Currently there are no purchasing cooperatives but we may establish them in the future. You do not receive any material benefits for using designated or approved suppliers other than having access to any discounted pricing we negotiate.

Franchisor Revenue from Source-Restricted Purchases

We are currently the exclusive supplier for the mobility and movement analysis software, CRM and phone/SMS system, and the employee business productivity platform (email accounts and Microsoft Suite). Our affiliate Gymbot currently serves as the exclusive designated supplier of all exercise equipment (including our proprietary EXERBOTICS® Equipment and non-proprietary equipment) as well as the proprietary software and technology used to operate, or used in conjunction with, the EXERBOTICS® Equipment. Our affiliate FranBoost currently serves as a designated supplier for digital marketing services. No other person affiliated with us is currently an approved (or the only approved) supplier. We may appoint ourselves or our affiliate as an approved or designated supplier for other goods and services in the future. We and our affiliates may generate a profit from these purchases.

Our officers, Brian Cygan and Brad Bundy, each own an interest in Gymbot and FranBoost. There are no other approved or designated suppliers in which any of our officers own an interest.

We may receive rebates, payments or other material benefits from suppliers based on your purchases and leases. We have no obligation to pass these amounts through to you or use them in any particular manner, but we intend to use them to benefit the System. We expect most rebates will range from 2% to 15% of the cost of the item purchased. As of the date of this Disclosure Document, we receive the following payments from suppliers:

Supplier	Nature of Payment	Payment Amount
Exercise & Leisure	Commission	$700 per Tuff Stuff Multi-Trainer Machine
SciFit	Commission	$1,616 per SciFit Pro 2 Recumbent Bike
Designs for Health (Nutritional Supplements)	Rebate	15% of purchase price
MicroShield	Rebate	$50 per unit
Zogics (cleaning wipes)	Rebate	2% of purchase price
ADP Franchises & Affiliations	Referral fee	5% revenue share for 5 years of invoices
InBody	Rebate	8% of pre-shipment price of InBody units
NutriDyn (nutritional product)	Rebate	10% of purchase price
Integrated Health Partners Ltd	Referral	$850 per unit
Gymbot LLC	Rebate	$24 per unit

Our total revenue for the fiscal year ended December 31, 2025 was $8,408,236. During that year, we generated $52,538 in revenue as a result of franchisee purchases or leases of goods and services, which represents 0.62% of our total revenue for that year.

During the fiscal year ended December 31, 2025, Gymbot generated $2,993,100 in revenue as a result of

franchisee purchases or leases of goods and services. The source of this information is QuickBooks Online.

During the fiscal year ended December 31, 2025, FranBoost generated $1,031,152 in revenue as a result of franchisee purchases or leases of goods and services. The source of this information is QuickBooks Online.

ITEM 9 FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement (FA), Area Development Agreement (ADA) and other agreements. It will help you find more detailed information about your obligations in these agreements and other items in this Disclosure Document.

OBLIGATION	SECTIONS IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	FA: 7.1 & 7.2 ADA: 4.3	Item 7 & Item 11
b. Pre-opening purchases/leases	FA: 6.2, 7.3, 11.6 & 15.1 ADA: Not Applicable	Item 5, Item 7, Item 8 & Item 11
c. Site development and other pre-opening requirements	FA: 7.3 & 7.4 ADA: 4.3	Item 6, Item 7 & Item 11
d. Initial and ongoing training	FA: 5 ADA: 4.5	Item 6 & Item 11
e. Opening	FA: 7.4 ADA: 4.1	Item 11
f. Fees	FA: 4.2, 5.5, 5.7, 6.2, 6.9, 7.5, 8.5, 10, 11.6, 11.8, 11.10, 11.15, 13, 15.1, 16, 19.2 & 21.3 ADA: 4.5, 5 & 7.2 See also §8 of Franchise Resale Agreement	Item 5 & Item 6
g. Compliance with standards and policies/Operating Manual	FA: 6.1, 7.1, 7.3, 10.3, 11 & 17.1 ADA: 4.3	Item 11
h. Trademarks and proprietary information	FA: 17 ADA: 2	Item 13 & Item 14
i. Restrictions on products/services offered	FA: 11.2 & 11.3 ADA: Not Applicable	Item 16
j. Warranty and client service requirements	FA: 11.3 & 11.13 ADA: Not Applicable	Not Applicable
k. Territorial development and sales quotas	FA: Not Applicable ADA: 4.1	Item 12
l. Ongoing product/service purchases	FA: 11.6 ADA: Not Applicable	Item 8
m. Maintenance, appearance and remodeling requirements	FA: 11.7 & 11.9 ADA: Not Applicable	Item 11
n. Insurance	FA: 15.1 ADA: Not Applicable	Item 6, Item 7 & Item 8
o. Advertising	FA: 10 ADA: Not Applicable	Item 6, Item 7 & Item 11
p. Indemnification	FA: 18 ADA: Not Applicable	Item 6
q. Owner's participation/management/ staffing	FA: 8 ADA: Not Applicable	Item 11 & Item 15

OBLIGATION	SECTIONS IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
r. Records/reports	FA: 15.2 & 15.3 ADA: Not Applicable	Item 6
s. Inspections/audits	FA: 16 ADA: Not Applicable	Item 6 & Item 11
t. Transfer	FA: 19 ADA: 7	Item 17
u. Renewal	FA: 4 ADA: 4.6	Item 17
v. Post termination obligations	FA: 21 ADA: Not Applicable	Item 17
w. Non-competition covenants	FA: 14 ADA: Not Applicable	Item 17
x. Dispute resolution	FA: 22 ADA: 10	Item 17
y. Owner Agreement (brand protection covenants, transfer restrictions and financial assurance for owners and spouses)	FA: 9 & ATTACHMENT "D" ADA: 6	Item 15

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee any of your notes, leases or obligations.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Before you open your Studio, we will:

1. Provide access to our Manual to help you develop and operate your Studio. The Manual includes 456 pages. The Table of Contents is attached as EXHIBIT "F". (§6.1 & 11.1)
2. Evaluate sites you propose for your Studio, as discussed below under "Site Selection". (§7.1)
3. Provide our written specifications for goods and services you must purchase to develop, equip and operate your Studio and a list of suppliers. (§11.1)
4. Cause Gymbot to sell, deliver, install and set up (or arrange for a third party to install and set up) all exercise equipment included in the Equipment Package. Neither we nor our affiliate deliver or install any other items that you purchase. (§6.2)
5. Provide access to approved advertising and marketing materials, as discussed below under "Advertising and Marketing". (§10.2)
6. Evaluate your Studio's design and buildout, as discussed below under "Site Development". (§7.3 & 7.4)
7. Provide an initial training program, as discussed below under "Training Program". (§5.1)
8. Provide MUO Training when you develop your 2nd Studio (and possibly additional Studios) under an ADA, if applicable. (ADA §4.5)

During the operation of your Studio, we will:

1. Cause Gymbot to license you the proprietary software and technology associated with the EXERBOTICS® Equipment in accordance with the Participation Agreement you and Gymbot must sign. (§6.3)

2. Provide our guidance and recommendations to improve the operation of your Studio. (§6.4)

3. Provide periodic training and certification programs, as discussed below under "Training Program". (§5.3)

4. Maintain a corporate website to promote our brand and a local webpage to promote your Studio, as discussed below under "Advertising and Marketing". (§6.6 & 10.3)

5. Refer prospective clients who contact us to your Studio (if your Studio is the most conveniently located Studio). (§6.7)

6. Evaluate and either approve or disapprove the annual growth plan and marketing budget you prepare and submit for our approval, as further discussed below under "Advertising and Marketing". (§10.3(a))

During the operation of your Studio, we may, but need not:

1. Administer the Brand Fund, as discussed below under "Advertising and Marketing". (§10.1)

2. Conduct periodic field visits to provide onsite consultation, assistance and guidance pertaining to the management and operation of the Studio. (§6.5)

3. Develop new Strategic Relationships, as discussed below under "Strategic Relationships". (§6.8)

4. Provide you with our suggested retail pricing. You may deviate from our suggested retail pricing at your discretion. However, you must obtain our approval of any deviation more than 5% higher or lower than our suggested pricing, unless the pricing is part of a temporary advertising campaign we approved. We may set maximum or minimum prices on the goods and services you sell if permitted by applicable law. (§11.4)

5. Develop new: (a) retail products, merchandise, or other goods or services that your Studio may offer and sell; or (b) exercise equipment for use at your Studio. (§6.10)

6. Cause our affiliate, FranBoost, to provide digital marketing services. (§10.3(d))

7. Negotiate purchase agreements with suppliers to obtain favorable pricing. We may also purchase items in bulk and resell them to you at our cost plus shipping and a reasonable markup. (§6.9)

8. Provide additional training or assistance you request, as discussed below under "Training Program". (§5.3)

9. Host periodic conferences to discuss relevant business and operational issues such as industry changes or new services, products, technology or marketing strategies. (§5.7)

10. Create a franchise advisory council, as discussed below under "Advisory Council". (§12)

11. As an optional service, assist you with the offer and sale of your Studio under the terms described in the Franchise Resale Agreement attached to this Disclosure Document as EXHIBIT "E"-4.

We do not provide area developers with any support under their ADA other than the MUO Training program listed above.

Training Program (§5) (also §4.5 of ADA if applicable)

Initial Training Program

We provide Management Training for your initial manager(s) and Managing Owner (you may send other owners to initial training but it is not required). As part of initial training, we also provide GSC Certification Training and SBB Certification Training for all your initial coaches. All trainees must successfully complete training to our satisfaction at least 1 week before your Studio opens.

Management Training includes approximately 5 days of training at our corporate headquarters and training facility in Lake Zurich, Illinois or our training facility in Smithville, Tennessee. We may change our designated training location at any time.

GSC Certification Training and SBB Certification Training are required for all owners and other individuals

who will serve as coaches at your Studio. Certification training includes access to LMS, evaluating written tests and reviewing practical exams for compliance with our methods. We provide GSC Certification Training and SBB Certification Training for your initial coaches as part of our pre-opening initial training program. After your Studio opens, your existing coaches provide GSC Certification Training and SBB Certification Training to new coaches you hire using our online tools and resources available through our online Learning Management System (LMS).

The format for training may include lectures, interactive role playing, equipment demonstrations, conference calls and/or webinars. We reserve the right to conduct all (or any portion) of the training program remotely via webinar, conference call or similar means. The training materials consist of the Manual, exercise equipment and LMS. We do not charge additional fees for training materials. We can modify the training program at our discretion based on our subjective assessment of the skills, abilities and prior experience of your Managing Owner, manager(s) and coaches.

We intend to offer Management Training on a monthly basis, assuming sufficient demand. Our current Management Training consists of the following topics:

TRAINING PROGRAM

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS ON THE JOB TRAINING	LOCATION
Overview-THE EXERCISE COACH® Personal training Studios	1	0	Illinois or Tennessee & Remote
Leadership	1 - 3	0	Illinois or Tennessee & Remote
Anatomy/Physiology/Biomechanics	4	0	Illinois or Tennessee & Remote
Exercise Theory	4	0	Illinois or Tennessee & Remote
Sales/Marketing	8	0	Illinois or Tennessee & Remote
Exercise Application and Equipment Operation	8	0	Illinois or Tennessee & Remote
Customer Experience/Service	4	0	Illinois or Tennessee & Remote
Daily Operations-General Business Practices	6	0	Illinois or Tennessee & Remote
GSC Certification	2	0	Illinois or Tennessee & Remote
SBB Certification	10	10	Illinois or Tennessee & Remote
In Store Training	16 - 40	0	Illinois or Tennessee & Remote
Total	64 - 90	10	

We reserve the right to modify our training and certification programs at any time at our discretion.

Post-Opening Training Programs

We may offer periodic refresher or supplemental training courses for your Managing Owner and managers. We may designate each course as mandatory or optional. Any new Managing Owner or manager you appoint or hire must successfully complete Management Training before managing your Studio. If we inspect your Studio and determine you are not operating in compliance with the Franchise Agreement and the Manual, we may require that your Managing Owner, manager(s) and other staff we designate attend remedial training relevant to the operational deficiencies we observed. All new coaches you hire must complete GSC Certification Training and SBB Certification Training. You may also request additional training, which we may (but need not) provide.

Multi-Unit Operator Training Program

If you sign an ADA, we provide remotely-conducted MUO Training over a 6-month period after you sign each Franchise Agreement under the ADA (excluding the 1st Franchise Agreement). MUO Training is designed to prepare you for multi-unit operations. We provide you with various tools and guidance to help you successfully

manage multiple Studios. MUO Training emphasizes team member development, including behavioral analysis where key employees will participate in both an assessment and team debrief. MUO Training also covers topics such as building a strong and healthy team culture, developing healthy business habits and maximizing economies of scale. MUO Training is delivered remotely by our Director of Multi-unit Development and includes a minimum of 5 hours of classroom training via Zoom and 20 hours of on-the-job training.

Instructors

Our current instructors include Brian Cygan, Gerianne M. Cygan, TJ Lux, Kevin McKee, John Suazo, Bill Sharkey, Brad Bundy, Matt Essex and Dr. James Fisher. We may utilize substitute or additional instructors from time to time, but all instructors will have at least 1 year of experience in the relevant field.

Brian Cygan is our co-founder and Chief Executive Officer. He has been involved with THE EXERCISE COACH® since its inception in 2000. He and Gerianne Cygan operated a company-owned Studio in Illinois for 22 years (November 2000 to December 2022) through an affiliate, Strength for Life, LLC. Brian is the creator of all training systems, protocols and office procedures used in the System. He is certified as a Personal Trainer by the American College of Sports Medicine. He has 24 years of experience in the personal training industry.

Gerianne Cygan is our co-founder and Wellness Director. She has been involved with THE EXERCISE COACH® since its inception in 2000. She and Brian Cygan operated a company-owned Studio in Illinois for 22 years (November 2000 to December 2022) through an affiliate, Strength for Life, LLC. She has been instrumental in developing procedures for operating and managing the internal processes for a Studio. She has 24 years of experience in the personal training industry.

TJ Lux first became involved with THE EXERCISE COACH® in 2007 when he acquired franchise rights to own and operate a Studio. Since 2007, he has owned and operated several Studios. TJ was appointed as our Director of High Performance Coaching in 2014. His responsibilities include: (a) assisting with the development of exercise protocols; (b) conducting research for scientific support of THE EXERCISE COACH® training philosophy; and (c) assisting with ongoing training for franchise owners and coaches. He has 19 years of experience in the personal training industry.

Kevin McKee first became involved with THE EXERCISE COACH® in 2003 when he acquired franchise rights to own and operate a Studio. He was appointed as one of our Franchise Support Managers in 2016. Kevin holds a Bachelor's of Science in Human Biology and a Master's of Science in Exercise Science. He is an ACSM Certified Exercise Physiologist and a Certified Health Coach. He has 27 years of experience in the personal training industry.

John Suazo first became involved with THE EXERCISE COACH® in 2015 when he acquired franchise rights to own and operate a Studio. He was appointed as one of our Franchise Support Managers in 2019. He is an advanced-trained and certified exercise coach. He has 12 years of experience in the personal training industry.

Bill Sharkey joined THE EXERCISE COACH® in 2019 when he became one of our area developers. He has owned and operated a Studio since 2019. He was appointed as our Director of Multi-Unit Development and Franchise Support Manager in 2021. He has 8 years of experience in the personal training industry.

Brad Bundy joined THE EXERCISE COACH® in 2013 when he acquired franchised rights to own and operate a Studio. He has served as our Chief Operating Officer since 2015. Since 2014, he has trained franchisees in operational processes such as client management, marketing, staffing matters and ongoing studio operations. He has 13 years of experience in the personal training industry.

Matt Essex joined THE EXERCISE COACH® in 2019 as Chief of Staff. Matt has held C-level positions in health-focused franchise companies, has taught health sciences, business, and leadership at several prominent colleges and universities, and is a research scientist in the realm of strength and aging. Matt holds a Master of Science degree in Exercise Science with a specialization in muscle physiology and aging, and has 28 years of experience in the personal training industry.

James Fisher PhD joined THE EXERCISE COACH® in 2024 as Chief Science Officer. Prior to this role James worked in academia as a Principal Lecturer delivering Exercise Science based courses at undergraduate,

postgraduate, and doctoral level. James was also a Senior Researcher and in accordance with his expertise has served on advisory boards to the likes of the Chief Medical Officer (UK), as well as applied positions delivering Strength and Conditioning to Olympic and Paralympic athletes, English Premier League Soccer teams, the Lawn Tennis Association and other notable organizations. He has 26 years of experience in the personal training industry.

David Bedell joined THE EXERCISE COACH® in 2012 as a franchisee, operating a Studio with his family. He currently serves as Associate Training Director, where he plays a key role in developing franchisees and coaches across the brand. David supports both virtual and live training initiatives, onboarding processes, and ongoing education to ensure consistent delivery of The Exercise Coach model. He has 14 years of experience in the personal training industry.

Training Fees and Costs

We provide our pre-opening Management Training program for up to 4 people in exchange for the $5,000 initial training fee. You must pay us an additional initial training fee of $625 for each person you send to Management Training in excess of 4. If you are signing your 2nd or subsequent Franchise Agreement under an ADA, you must also pay us a $2,500 training fee for MUO Training. We may also charge you a training fee of up to $500 per person per day for each person who attends: (a) Management Training after you open (i.e., new Managing Owner or manager); (b) retraining after failing a prior attempt; (c) remedial training; (d) additional training you request; or (e) refresher or supplemental training. We may charge a certification training fee of up to: (a) $250 per certification for each person who registers for GSC Certification Training; and (b) $550 per certification for each person who registers for SBB Certification Training. We may also charge the same or lesser fees for periodic recertification training. You are responsible for all wages and Travel Expenses you and your trainees incur for training. You must also reimburse our Travel Expenses for onsite training or assistance at your Studio.

Site Selection (§7.1)

A typical Studio ranges in size from 800 to 2,000 square feet. Studios may be located in: (a) commercial retail space, such as a shopping center or mixed use development, anchored by large grocery stores; or (b) non-retail space, such as a professional office building or development. Studios must be easily accessible to the public.

We do not select the site for your Studio and we do not purchase the premises and lease it to you. You must identify and obtain our approval of the site for your Studio within 90 days after signing the Franchise Agreement. We may terminate your Franchise Agreement if you fail to meet this deadline or if we cannot agree on a site. However, we may, in our reasonable discretion, grant you one or more 30-day extension periods if you demonstrate to our satisfaction that: (a) you used diligent, good faith efforts to find an approved site throughout the 120-day site selection period; and (b) you were unable to secure our approval of your site in a timely manner due to reasons outside your control.

Your Studio must be located within the Site Selection Area identified in Part C of ATTACHMENT "A" to the Franchise Agreement and conform to our minimum site selection criteria. Your Site Selection Area is defined to exclude the geographic area within any territory assigned to another Studio that: (a) is open and operating, under construction, or for which a site has been approved, in each case as of the effective date of the Franchise Agreement; and (b) is located (or will be located) in the Site Selection Area.

You must send us a complete site report that includes all information we require about each site you propose. We try to approve or disapprove sites within 30 days after receiving the site report. Our failure to approve a site within the 30-day period constitutes our disapproval. We consider the following factors when reviewing proposed sites:

- visibility, size, condition and characteristics of the building
- traffic counts
- accessibility and availability of parking
- general location and character of neighborhood
- existence and location of competitive businesses

- tenant mix in the building or shopping center
- various economic indicators

We list the address of your approved site either: (a) in Part D of ATTACHMENT "A" to the Franchise Agreement (if we approve the site before signing the Franchise Agreement); or (b) in a Site Approval Notice we send you within 30 business days after we approve the site (if we approve the site after signing the Franchise Agreement). If you sign an ADA, we must approve the site for each Studio you develop applying our then-current site selection criteria.

We must approve your lease (if applicable) before you sign it. You must use best efforts to cause your landlord to sign the Lease Addendum attached to the Franchise Agreement as ATTACHMENT "C". The Lease Addendum is designed to protect our interests. If your landlord refuses to sign our prescribed form of Lease Addendum we may either (a) waive the Lease Addendum requirement (or the provisions disapproved by the landlord) or (b) require you to find a new site for your Studio.

Site Development (§7.3 & 11.9)

The Manual includes generic prototype plans and our standards and specifications for the design, layout, equipping and trade dress for a Studio. You must hire a licensed and bonded architect to prepare initial design plans for the construction of your Studio and leasehold improvements. We must approve the initial design plans to ensure they are consistent with our system standards. Once approved, your architect must prepare detailed construction plans that: (a) are consistent with the approved design plans; (b) satisfy all required standards and specifications in the Manual; and (c) comply with all federal, state and local ordinances, building codes, permits and lease requirements and restrictions applicable to the premises. You must submit the final construction plans to us for approval. Once approved, you must construct and equip your Studio according to the approved construction plans and the requirements of the Manual. You must purchase (or lease) and install the Technology Systems, equipment, fixtures, signs and other items we require.

We may require that you periodically remodel and renovate your Studio to conform to our then-current standards and specifications. There is no limitation on the cost or frequency of these obligations. You may not remodel or renovate your Studio without our prior approval.

Opening Requirements (§7.4)

We expect most franchisees will open within 300 days after signing the Franchise Agreement. Factors that may affect this time include:

- the amount of time needed to find an approved site
- protracted lease negotiations with the landlord
- the amount of time needed to secure financing, insurance, licenses and permits
- the condition of the building and extent of required upgrades, remodeling and renovations
- construction delays due to labor or materials shortages, inclement weather or other reasons
- delayed delivery or installation of equipment and fixtures
- the amount of time needed to comply with zoning requirements and other laws and regulations
- the amount of time needed to complete training
- the amount of time needed to hire and train staff

Advertising and Marketing (§10)

Our Advertising Obligations

We have no obligation to conduct advertising for the franchise system. However, we may periodically create advertising and marketing materials for your use. We may: (a) use the Brand Fund to pay for the creation and distribution of these materials, in which case there will be no additional charge; (b) provide online access to these materials, in which case you must print the materials at your expense; or (c) contract with third-party

suppliers to create advertising or marketing materials that you may purchase.

Grand Opening Advertising

You must prepare and obtain our approval of a grand opening marketing plan to promote the opening of your Studio during your Grand Opening Period, which begins 30 to 90 days prior to, and ends 90 days after, your Studio's opening date. These marketing activities may include digital marketing, public relations, distributing mailers to high income households, radio commercials and other advertising activities described in the Manual or otherwise approved by us. We may require you to hold an open house for business and community leaders. We may require that you contract with a marketing company we designate to design and implement a customized grand opening marketing plan.

The total amount of grand opening advertising and marketing expenditures you incur during the Grand Opening Period must equal or exceed your Grand Opening Marketing Commitment, as set forth in the table below:

GRAND OPENING MARKETING COMMITMENT		
Pre-Opening Phase*	*[Number of Qualified Households]*	*[Minimum Expenditure]*
	9,000 or fewer	$14,195 to $17,000
	9,001 to 12,000	$15,800 to $19,250
	12,001 to 15,000	$16,400 to $20,000
	15,001 or more	$17,000 to $20,775
Post-Opening Phase*	$15,000	

* The Grand Opening Marketing Commitment applicable during the pre-opening phase of your Grand Opening Period varies based on the number of qualified households in your territory.

** Any expenditures you incur during the pre-opening phase that exceed the minimum required amount will be credited towards the $15,000 you must spend during the 90-day post-opening phase.

Post-Grand Opening Advertising

You must participate at your own expense in all advertising, promotional and marketing programs we require. At least 30 days prior to each anniversary of your Studio's opening date, you must prepare a growth plan and marketing budget for the ensuing 12-month period. We must approve each growth plan and marketing budget.

After your Grand Opening Period expires, you must spend at least $4,000 per month on approved local advertising and marketing (pro-rated the 1st month if your Grand Opening Period expires on a day other than the last day of the month). The minimum amount you must spend on local marketing and advertising after your Grand Opening Period expires is referred to as your Local Marketing Commitment. None of the following fees or expenditures are credited towards your Local Marketing Commitment: (a) brand fund fees; (b) marketing management or administrative fees; or (c) advertising or marketing expenditures you incur during the Grand Opening Period, including any expenditures in excess of your Grand Opening Marketing Commitment.

You may develop your own advertising and marketing materials and programs but we must approve them prior to use. We must also approve the media you intend to use. You may not use any advertising materials, programs or media that we have not approved.

Websites, Social Media and Digital Advertising

We currently maintain a corporate website to promote our brand. If a prospective client contacts us through our website (or calls our corporate headquarters) we will use reasonable efforts to refer the prospective client to the most conveniently-located Studio in accordance with our then-current policies.

We will also create and host a local webpage (i.e., local landing page) to promote your Studio, which will be linked to our corporate website. Your webpage will list certain information about your Studio that we designate, such as address, hours of operation and contact information. We can modify or discontinue our website and/or

your Studio's webpage at any time. Except for the webpage we provide, you may not: (a) develop, host, or otherwise maintain a website (or other digital presence) bearing our Marks; (b) utilize the Internet to conduct digital or online advertising; or (c) engage in ecommerce.

Under current policy, we exclusively own all social media accounts associated with Studios and we exclusively control all social media posts. We may establish, own and administer one or more social media accounts that promote your Studio either by itself or in conjunction with other Studios. If we do so, the following rules apply:

- we will retain all ownership rights to the account(s)
- we may (but need not) grant you limited access rights, but we will retain administrator rights
- you must strictly comply with our social media policy
- you must obtain our approval of any content you wish for us to post
- you must immediately remove any content we disapprove, or we may unliterally remove it

Gift Card and Loyalty Programs

We may require that you participate in a gift card or other customer loyalty program in accordance with our policies and procedures. In order to participate, you may be required to purchase additional equipment, software and/or Apps and pay fees relating to the use of that equipment, software and/or Apps. We have the right to determine how proceeds from gift card sales are divided or otherwise accounted for and we may retain proceeds from unredeemed gift cards. You must follow all policies we establish for gift card and/or loyalty programs.

Advertising Cooperatives

We may, but need not, establish regional advertising cooperatives for purposes of pooling advertising funds to be used in discrete regions. We determine the boundaries of the cooperative. In most instances, the boundaries will coincide with zip codes, designated marketing areas or municipal boundaries. We will specify the manner in which the cooperative is organized and governed. We may choose between: (a) administering the cooperative ourselves; or (b) establishing an advertising council, comprised by the cooperative's members, to administer the cooperative. We may require that the cooperative be administered in accordance with written bylaws, organizational documents or other governing documents that we approve.

If your Studio is located within a region subject to an advertising cooperative you must: (a) participate in the cooperative according to its rules and procedures and abide by its decisions; and (b) pay a cooperative advertising fee. We may set the minimum cooperative advertising fee or we may allow the cooperative to set the fee based on majority vote of its members. In either case, the cooperative advertising fee will not exceed $2,000 per month. All cooperative advertising fees you pay are credited against your Local Marketing Commitment. Any company-owned Studio located in the cooperative will contribute on the same basis as franchisees.

Advertising cooperatives are not required to prepare annual or periodic financial statements. Any financial statements that are prepared will be made available to you upon request. We reserve the right to form, change, merge or terminate advertising cooperatives at any time. There were no advertising cooperatives in effect as of December 31, 2025.

Brand and System Development Fund

We currently administer the Brand Fund to promote public awareness of our brand and improve our System. We may use the Brand Fund to pay for any of the following:

- developing, administering or directing advertising and marketing materials, promotions and programs
- conducting and administering promotions, contests or giveaways
- expanding public awareness of the Marks
- public and consumer relations and publicity
- brand development
- sponsorships

- charitable and nonprofit donations and events
- research and development of technology, products and services
- website development and search engine optimization
- development, maintenance and promotion of an ecommerce platform
- development and implementation of quality control programs
- conducting market research
- reimbursing us for costs we incur to host franchisee conferences
- changes and improvements to the System
- fees and expenses charged by advertising agencies we engage to provide marketing services
- collecting and accounting for contributions to the Brand Fund
- preparing and distributing financial accountings of the Brand Fund
- any other programs or activities we deem appropriate to promote or improve the System
- direct and indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates in relation to any of these activities (including salary, benefits and other compensation of any of our, and any of our affiliate's, officers, directors, employees or independent contractors based upon time spent working on any Brand Fund matters described above)

We direct and have complete control and discretion over all advertising programs paid for by the Brand Fund, including the creative concepts, content, materials, endorsements, frequency, placement and media used. Advertising may be local, regional or national in coverage and utilize any media we deem appropriate, including digital, print, television, radio or billboard. The Brand Fund will not be used to pay for advertisements principally directed at selling additional franchises, although consumer advertising may include notations such as "franchises available" and one or more pages on our website may promote the franchise opportunity.

You must pay the brand fund fee we specify from time to time (not to exceed 1% of Gross Sales). Company-owned Studios are not required to contribute to the Brand Fund. All monies deposited into the Brand Fund that are not used in the fiscal year in which they accrue will be utilized in the following fiscal year. Any surplus of monies may be invested and we may lend money if there is a deficit. An unaudited financial accounting of Brand Fund contributions and expenditures will be prepared annually and made available to you upon request. During the fiscal year ended December 31, 2025 we spent the marketing funds in the following manner:

Allocation of Marketing Expenditures (2025)				
Use of Funds	**Production**	**Media Placement**	**Administrative Expenses**	**Other***
Percentage Allocation	0%	0%	0%	100%

* "Other" includes key note speakers at annual conference, FAC expenses, market research, professional fees, software, website development and maintenance, innovation research and development (R&D).

The Brand Fund is not a trust. We have no fiduciary obligations or liability to you with respect to our administration of the Brand Fund. Once established, we may discontinue the Brand Fund on 30 days' notice.

Advisory Council (§12)

We may, but need not, create a franchise advisory council to provide us with suggestions to improve the System, including matters such as marketing, operations or new products or services. We would consider suggestions in good faith, but would not be bound by them. The council would be established and operated according to rules and regulations we periodically approve, including procedures governing the selection of council representatives to communicate with us on matters raised by the council. You would have the right to be a member of the council as long as you comply with your Franchise Agreement and do not act in a disruptive or abusive or counter-productive manner, as determined by us in our discretion. As a member, you would be entitled to all voting rights and privileges granted to other council members. Any company-owned Studio would also be a

member of the council. Each member would be granted 1 vote on all matters on which members are authorized to vote. We would have the power to form, change or dissolve the advisory council in our discretion.

Strategic Relationships (§6.8)

From time to time, we may establish Strategic Relationships with vendors, insurance companies, third-party payers and others in order to enhance the System or expand our client base. For example, we negotiated relationships that currently allow Studios to accept clients for personal training under programs such as OnePass, Silver&Fit® and Active&Fit®. You must participate in all Strategic Relationships in accordance with the terms and conditions we negotiate with the Strategic Relationship partner. These programs and Strategic Relationships may change from time to time. We have no obligation to maintain Strategic Relationships or develop new ones. We make no representation that you can rely on these programs or the subsidies associated with them as an indefinite benefit to your Business.

We have the exclusive right to establish Strategic Relationships and enter into agreements with Strategic Relationship partners. You are prohibited from doing so. You must refer all potential Strategic Relationship opportunities to us.

Computer System (§6.3, 11.6, 11.7, 11.8, 15.3 & 16.1)

You must purchase and use all Technology Systems we designate. We may change the required Technology Systems from time to time. We currently require a computer and POS system that consist of the following:

- 2 desktop or laptop computers (with Microsoft Office & reasonably current Windows operating system)
- 1 all-in-one printer/scanner/copier/fax machine
- 1 iPad Pro tablet (6th generation or higher)
- 1 CRM system with phone and SMS integration (Hubspot & JustCall)
- 1 business intelligence platform subscription (FlexBI)
- 1 POS system (includes computer, credit card reader & business management and scheduling software)
- Web-based accounting subscription (QuickBooks Online)

How Computer and POS System Are Used

You will use your computer and POS system to operate the business and perform various functions including: processing payment transactions; managing client leads and relationships; enrolling clients; booking clients; scheduling sessions; recording client information; preparing operational and financial reports; accounting and bookkeeping; text messaging; email communications; and accessing our proprietary software associated with EXERBOTICS® Equipment.

Your clients will use our proprietary TEC Apps to access a real-time data stream of strength measures from EXERBOTICS® Equipment. For clarity, the TEC Apps do not facilitate or perform any type of virtual, online or on-demand exercise training or instruction delivered live through a web-based video service such as Zoom or FaceTime.

You will use FlexBI as your business intelligence platform and dashboard. It will help you analyze and track key performance indicators (KPIs) on your Business in real time to identify trends and actionable insights, understand performance and more informed strategic decisions.

You will use our designated CRM system, HubSpot, as your sales, marketing and lead management platform.

We provide you with one or more email addresses for use with your Studio. You must exclusively use the email address(es) we provide for all communications with us, clients, suppliers and other persons relating to your Studio. You may not use them for any purpose unrelated to your Studio. We own the email addresses and accounts but allow you to use them during the term of your Franchise Agreement.

Fees and Costs

We estimate the initial cost of your computer and POS system (including any upfront license fees, setup fees, software training fees, data migration fees, etc.) will range from $1,900 to $3,850.

As further detailed in Item 6, you must pay technology fees for certain software, technology and related services that we or our affiliate provide (including fees we and Gymbot collect on behalf of, and remit to, third-party licensors). The table below identifies the ongoing fees and costs you must pay for required software, technology, Apps, subscriptions and related services (including the software, technology and related services covered by the technology fee). These fees are subject to change from time to time.

COMPUTER SYSTEM – ONGOING FEES AND COSTS			
Item	**Fee (Monthly)**	**Fee (Annual)**	**To Whom Paid?**
Technology Fee (proprietary tech) (technology-related services for TEC Apps & EXERBOTICS® Equipment)	$518	$6,216	Gymbot
Technology Fee (3rd-party tech) (mobility software)	$299	$3,588	Gymbot
Technology Fee (3rd-party tech) (CRM and Phone System)	$248	$2,976	Us
Technology Fee (3rd-party tech) (FlexBI)	$29	$348	Us
Technology Fee (3rd-party tech) (business productivity software)	$5* (per employee)	$60* (per employee)	Us
POS System	$196	$2,352	Third-party Licensor
QuickBooks Online	$35	$420	Third-party Licensor

* Most franchisees require 2 to 4 employee licenses.

Maintenance, Support, Updates and Upgrades

In exchange for monthly technology fee disclosed in the table above, Gymbot (or a third-party engaged by Gymbot) provides all required support, repairs and updates for the software and technology associated with EXERBOTICS® Equipment and TEC Apps. These services are covered under the Participation Agreement that you and Gymbot must sign.

The licensor of the POS system and associated software provides all required support and updates in exchange for the monthly fee disclosed in the table above.

The licensors of our CRM and phone/SMS system, FlexBI and the mobility software provide all required support and updates in exchange for the monthly fees disclosed in the table above.

Except as otherwise disclosed above: (a) neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your computer system; and (b) we are not aware of any optional or required maintenance, updating, upgrading or support contracts relating to your computer system.

Collection and Sharing of Data

Your computer and POS system will collect and store various types of data including: client contact information; payment and credit card information; information on potential clients (i.e., leads); client attendance records; and sales data. We will have independent unlimited access to the data collected on your computer and POS system and there are no contractual limits imposed on our access. We will not disclose any data pertaining to a client that is specifically attributable or identifiable to that client, but we may disclose client data in summary, statistical or other formats that prevent the data from being identifiable to a particular client.

Maintenance and Changes

You must maintain the computer system in good condition at your cost. We may require that you upgrade, update or otherwise change your computer system and other Technology Systems to conform to our then-current specifications. There is no contractual limitation on the frequency or cost of these updates, upgrades or changes. We may make available to Franchisees certain technology-enabled communication, scheduling, and operational tools, which may include automated or AI-assisted systems designed to facilitate prospect and client engagement, appointment scheduling, billing and payment processing, and other administrative functions (collectively, "Automated Communication and Operations Tools").

These tools are currently in development and limited deployment and may evolve over time, including expansion of features and capabilities. While use of such tools is not currently required, we reserve the right to designate any such system, in whole or in part, as a required component of the System in the future.

If designated as required, Franchisees may be required to implement and use such tools in accordance with System standards. Fees associated with these tools, if any, are expected to be reasonable and may include setup, subscription, transaction-based, or usage-based charges. We will provide Franchisees with advance notice of any required implementation and associated costs.

ITEM 12 TERRITORY

Location of Studio

The Franchise Agreement grants you the right to operate a single Studio from a site we approve. You must identify a site for your Studio within the Site Selection Area described in your Franchise Agreement.

You may relocate your Studio with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate you must: (a) obtain our approval of the new site for your Studio within the Site Selection Area (but outside any territory assigned to another Studio); (b) comply with our then-current site selection and development requirements; (c) remove trade dress and alter the premises of the closed (i.e., former) Studio to eliminate any resemblance to a THE EXERCISE COACH® studio; (d) pay us a $2,500 relocation fee at the time we approve your request to relocate; and (e) open your Studio at the new site and resume operations within 30 days* after closing your Studio at the former site. We may also require you to conduct another grand opening marketing campaign to promote the opening of your Studio at the new site.

* If your Studio is destroyed, condemned or otherwise rendered unusable due to the physical condition of the premises, you have: (a) 120 days after the closure to obtain our approval of the new site; and (b) 120 days after we approve the new site to develop and reopen the Studio at the new site (subject to any extensions we grant in our reasonable discretion).

Designation of Territory (Franchise Agreement)

We will grant you a territory that includes at least 5,000 qualified households as of the date we designate your territory. A "qualified household" refers to any household with annual household income of at least $120,000. We may designate the boundaries of your territory in any manner we deem appropriate, provided that your territory includes at least 5,000 qualified households at the time we designate the territory. We may use data from any source we deem appropriate to determine the number of qualified households within an area.

We will describe your territory either in: (a) Part E of ATTACHMENT "A" to the Franchise Agreement (if we approve the site for your Studio before signing the Franchise Agreement); or (b) the Site Approval Notice we send after approving your site (if we approve the site after signing the Franchise Agreement).

We have no obligation to modify your territory during the term of the Franchise Agreement based on changes to the number of qualified households. Upon renewal, we reserve the right to modify the boundaries of your territory in accordance with our then-current territory guidelines and criteria.

Your Development Territory (ADA)

If you acquire area development rights, we will grant you a development territory that will be described in Part

D of ATTACHMENT "A" to your ADA. Your development territory is defined to exclude the geographic area within any territory assigned to another Studio that: (a) is open and operating, under construction, or for which a site has been approved, in each case as of the effective date of the ADA; and (b) is located (or will be located) in the geographic area described in Part D of ATTACHMENT "A" to your ADA. A development territory typically consists of a geographic area that coincides with the boundaries of a municipality, such as a city, county or state. There is no minimum or maximum size for a development territory. In determining the size of your development territory, we primarily consider the number of Studios you commit to develop.

You must sign a separate Franchise Agreement for each Studio you develop. Each Studio must be located in the development territory. We must approve the site for each Studio under our then-current site selection criteria. We send you a complete execution copy of the ADA that includes your development territory, development fee and development schedule at least 7 days before you sign it.

Exclusive Territorial Rights

Territory

Your territory will be exclusive. During the term of your Franchise Agreement, we will not develop or operate, or license a third party to develop or operate, another Studio that uses our Marks and is located in your territory.

Development Territory

Your development territory, if applicable, will also be exclusive. During the term of the ADA, we will not develop or operate, or license a third party to develop or operate, another Studio that uses our Marks and is located in your development territory.

Site Selection Area

If we do not approve the site for your Studio before you sign the Franchise Agreement, then your Site Selection Area will be exclusive during the period of time that begins when you sign the Franchise Agreement and ends upon the earlier to occur of: (a) the date we approve your site; or (b) the end of the 120th day after the Effective Date of the Franchise Agreement.

Alternative Channels of Distribution

We reserve the right to sell, and license others to sell, competitive or identical goods and services (either under the Marks or different trademarks) through Alternative Channels of Distribution, including within your territory and development territory, if applicable. An "Alternative Channel of Distribution" means any channel of distribution other than: (a) retail sales made to clients while present at a Studio; or (b) offering fitness or exercise programs or conducting personal training from any location outside a Studio. Examples of Alternative Channels of Distribution include:

- sales through direct marketing, such as over the Internet or through catalogs or telemarketing
- sales through retail stores that do not operate under the Marks, such as sporting goods, exercise or department stores
- sales made at wholesale
- provision of services through an App or mobile device

You are not entitled to any compensation for sales that take place through Alternative Channels of Distribution.

Restrictions on Sales and Marketing Activities

You can market and advertise outside your territory and development territory, if applicable, as long as you: (a) obtain our prior approval; (b) comply with all policies and procedures in the Manual governing extra-territorial marketing; and (c) do not engage in targeted marketing directed into a territory assigned to another Studio (unless the marketing is conducted as part of an advertising cooperative that includes the affected territory). Marketing that is distributed, circulated or received both within your territory and another Studio's territory is not "targeted marketing" if: (a) you use reasonable efforts to limit circulation or distribution of the advertising to areas in your territory; and (b) most recipients of the advertising are located in your territory and there is only

incidental circulation or distribution in another Studio's territory. The meaning of "targeted marketing" that is "directed into a territory" may be further defined in the Manual. Examples include direct mail sent to addresses in a given territory, digital advertising sent to devices with IP addresses registered in a given territory and conducting promotional events in a given territory.

You must comply with any minimum advertised pricing policy that we establish from time to time.

You may not market or sell using Alternative Channels of Distribution (such as the Internet, catalog sales, telemarketing or other direct marketing) either inside or outside your territory or development territory, if applicable. Your marketing activities are also subject to the additional restrictions described in Item 11 under the Section entitled "Websites, Social Media and Digital Advertising".

There are no other restrictions on your right to solicit clients, whether from inside or outside your territory or development territory, if applicable.

Minimum Performance Requirements

Your territorial exclusivity under the Franchise Agreement does not depend on achieving a certain sales volume, market penetration or other contingency.

If you sign an ADA and breach the development schedule by failing to open and operate the prescribed number of Studios within the required periods of time, we may terminate your ADA and you will lose the territorial protections associated with your development territory.

Additional Franchises and Territories

We do not grant options, rights of first refusal or similar rights to acquire additional territories or franchises, other than your right and obligation to develop the prescribed number of Studios within your development territory if you sign an ADA.

Competing Businesses Under Different Marks

Currently, neither we nor any affiliate of ours intends to operate or franchise another business under a different trademark that sells products or services similar to the products or services offered by a Studio. However, we reserve the right to do so in the future.

Although we and and our affiliates do not operate or franchise a competitive business under different trademarks, we and our affiliates do reserve the right, except to the extent prohibited by the Participation Agreement, to sell EXERBOTICS® Equipment (and any other exercise, fitness or other equipment developed in the future) and license proprietary software and technology to third parties anywhere within your Site Selection Area, territory and, if applicable, development territory. The Participation Agreement prohibits Gymbot from selling certain EXERBOTICS® Equipment (including Leg Press, Leg Curl, CrossFire Hamstring Curl, Nucleus Core/Back Extension, and Shoulder Press/Pull-Down machines) to Commercial Fitness Retailers* located in your territory or development territory during the term of your Franchise Agreement or ADA, respectively.

* "Commercial Fitness Retailer" means a fitness facility that generates at least 50% of its annual gross revenue from: (a) offering use of the facility and its exercise equipment to the general public; and/or (b) offering personal (exercise) training services in one-on-one, small group or large group formats. The definition excludes: (a) physical therapy clinics; medical facilities; senior living communities; corporate wellness centers; research institutions; and other similar types of establishments; and (b) any business meeting the criteria of a Commercial Fitness Retailer if the services offered at the facility must in any manner be delivered, supervised or overseen by a credentialed healthcare professional specializing in the prevention, diagnosis or treatment of diseases, injuries or other disorders.

ITEM 13 TRADEMARKS

The following Marks are registered on the Principal Register of the United States Patent and Trademark Office (USPTO):

REGISTERED MARKS		
Mark	**Registration Number**	**Registration Date (Renewal Date)**
THE EXERCISE COACH	3,484,221	August 12, 2008 (September 30, 2017)
STRENGTH CHANGES EVERYTHING	6,205,846	December 20, 2019

We also applied to register the following Mark on the Principal Register of the USPTO:

UNREGISTERED MARKS		
Mark	**Serial Number**	**Application Date**
ENJOY STRENGTH	97,559,220 (Intent to Use Application)	August 22, 2022

We do not have a federal registration for the Mark in the table immediately above. Therefore, this Mark does not have many legal benefits and rights as a federally registered trademark. If our right to use this Mark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits and renewals have been filed.

We may change the trademarks you may use from time to time, including by discontinuing use of the Marks listed in Item 13. If we require you to discontinue use of our primary Mark (i.e., THE EXERCISE COACH®), we will reimburse you for out-of-pocket expenses you reasonably incur to change your primary signage. We have no other liability to you for changing the Marks.

You must notify us immediately if you discover an infringing use (or challenge to your use) of the Marks. We will take the action we deem appropriate. We are not required to take any action if we do not feel it is warranted. You may not control any proceeding or litigation involving our Marks.

The Franchise Agreement does not require that we: (a) protect your right to use the Marks; (b) protect you against claims of infringement or unfair competition arising out of your use of the Marks; or (c) participate in your defense or indemnify you for expenses or damages you incur if you are a party to an administrative or judicial proceeding involving our Marks or if the proceeding is resolved in a manner unfavorable to you.

There are currently no: (a) effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; (b) pending infringements, oppositions or cancellations; (c) pending material litigation matters involving any of the Marks; (d) infringing uses we are aware of that could materially affect your use of the Marks; or (e) agreements that limit our right to use or sublicense use of the Marks.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

Gymbot filed an application for and obtained a provisional patent on Strength Index, which is a proprietary strength scoring methodology that allows for the normalization of isokinetic strength training performance and prescription, as delivered through EXERBOTICS® Equipment. Details are summarized below:

PROVISIONAL PATENT	
Title	Normalized Isokinetic Strength Training Performance and Prescription
Patent No.	US 12,409,363 B2
Patent Type	Utility
Filing Date	September 18, 2023

PROVISIONAL PATENT	
Issue Date	September 9, 2025
Application No.	18/369,808
Inventor	Brian Cygan, Brad Bundy, Kurt Pinnow
Owner/Assignee	Gymbot LLC
Status	Notice of Allowance Issued August 5, 2025

No other patents or pending patent applications are material to the franchise.

Copyrights

Although we have not filed an application for copyright registration for our Manual, website or marketing materials, we do claim a copyright to these items.

Proprietary Information

During the term of the Franchise Agreement, we allow you to use certain confidential and proprietary information (some of which constitute "trade secrets") relating to the development, marketing and operation of a Studio. Examples include:

- architectural plans, drawings and specifications for a prototype Studio
- site selection criteria
- methods, techniques, policies, procedures, protocols, standards and specifications
- supplier lists and information
- marketing and merchandising strategies
- information comprising the System

We will own all ideas, improvements, inventions, marketing materials and other concepts you develop relating to a Studio. We will also own all operational and client data pertaining to your Studio. You must treat this data as confidential and proprietary. We license you the right to use this data to operate your Studio. You must comply with all applicable data protection laws and our data processing and data privacy policies in the Manual.

We provide access to our confidential information through the Manual, training programs and other periodic support and guidance. You may use this information solely for purposes of developing, marketing and operating your Studio in compliance with the Franchise Agreement and Manual. We consider all information in the Manual to be confidential. You may not disclose our confidential information to anyone other than your employees, on a need-to-know basis, without our prior permission. All of your employees and representatives (including all Studio managers and coaches) must sign the Confidentiality Agreement attached to the Franchise Agreement before you give them access to our confidential information.

Infringements

You must promptly notify us if you discover an unauthorized use of our proprietary information or copyrighted materials. We will respond as we deem appropriate, but we need not act. You may not control any litigation or proceeding involving allegations of unauthorized use of our proprietary information or copyrighted materials. We have no obligation to indemnify you for any expenses or damages you incur as a result of any such proceeding or litigation. There are no infringements known to us at this time.

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Owner Participation

You must designate an owner with overall responsibility for the management and operation of your Studio (the "Managing Owner"). The Managing Owner must: (a) be approved by us; (b) have binding decision-making authority on matters involving the Studio; (c) successfully complete all training programs we require; (d)

provide consistent and reasonable levels of oversight and supervision over all Studio managers and coaches to ensure the Studio is operated in accordance with the Franchise Agreement and the Manual; and (e) at all times hold at least a 20% ownership interest in the franchised business unless we waive this requirement. The Managing Owner is not required to provide onsite management of your Studio as long as a trained manager is onsite. Any new Managing Owner you appoint must successfully complete Management Training prior to managing your Studio.

Except for the requirements imposed on the Managing Owner, we do not require that your owners personally participate in the management or operation of your Business. If you are an entity, each owner (i.e., each person holding a direct or indirect ownership interest in the entity) and the spouse of each owner must sign the Owner Agreement attached to the Franchise Agreement. By signing the Owner Agreement, the owner (or spouse of the owner) agrees to: (a) comply with all brand protection covenants (subject to state law), covenants that protect our intellectual property and transfer restrictions set forth in the Franchise Agreement; and (b) guarantee the franchisee's financial obligations.

Managers

You may hire Studio managers to assist the Managing Owner with (or assume responsibility for) onsite management of the Studio. Any person you hire as a manager must: (a) successfully complete all training programs we require; and (b) sign a Confidentiality Agreement. At all times during normal business hours, either the Managing Owner or a trained manager must be present at the Studio to provide onsite management and supervision. The Managing Owner remains responsible for the manager's work and must retain a leadership role. We do not require that your managers own any equity interest in the franchise.

Coaches

You may not allow any person to provide personal training or other services to clients at your Studio other than a coach who has successfully completed GSC Certification Training and SBB Certification Training. Each coach you hire must sign a Confidentiality Agreement and satisfy all criteria we establish for coaches.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We must approve all goods and services you sell. You must offer all goods and services we require. You may not sell any goods or services we have disapproved. At any time, we may change the goods and services you sell and you must comply with the change. Your Studio may not include any equipment we have not approved. We may require you to participate in a gift card or customer loyalty program (including utilization of a "membership" model) in accordance with our policies and procedures.

ITEM 17 RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement (FA), Area Development Agreement (ADA) and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
a. Length of franchise term	FA: 1 & 4.1	Term is equal to 10 years.
	ADA: 1	Term expires on the opening date listed in the development schedule for the last Studio you are required to develop.
b. Renewal or extension of the term	FA: 4.1 & 4.2	If you meet all renewal conditions, you can enter into an unlimited number of successor franchise agreements. Each renewal term is 5 years.
	ADA: 4.6	No renewal rights.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
c. Requirements for you to renew or extend	FA: 4.1 & 4.2	You must: not be in default; give us timely notice; sign then-current form of franchise agreement; sign general release (subject to state law); pay renewal fee; remodel Studio and upgrade furniture, fixtures and equipment to current standards; and extend lease for duration of renewal term. We may prohibit renewal if (a) you fail to pay amounts owed when due on 2 or more occasions in any 1-year period or (b) we discontinue the offer and sale of franchises in your market (subject to state law). If you renew, you may be required to sign a contract with materially different terms and conditions than the original contract.
	ADA: 4.6	You may not renew or extend the term of the ADA.
d. Termination by you	FA: 20.1	You can terminate if we default and fail to timely cure.
	ADA: Not Applicable	You can terminate under any grounds permitted by law.
e. Termination by us without cause	FA: 20.3	We can terminate without cause if you provide your written consent.
	ADA: 8.2	
f. Termination by us with cause	FA: 20.2	We can terminate if you default.
	ADA: 8.1	
g. "Cause" defined - curable defaults	FA: 20.2	You have the following cure periods: (a) 24 hours for health or safety hazards; (b) 10 days for financial defaults; (c) 20 days for loss of a required license or permit; and (d) 30 days for any other default (other than a default described below under "non-curable defaults").
	ADA: 8.1	You have 30 days to cure any default other than a default described below under "non-curable defaults".
h. "Cause" defined - non-curable defaults	FA: 20.2	The following defaults cannot be cured: insolvency, bankruptcy or seizure of assets; failure to successfully complete training; failure to find approved site, secure lease or open in timely manner; abandonment; certain criminal convictions or administrative enforcement actions; violation of material law; refusal to allow inspection; acts that may adversely affect reputation of System or Marks; 2nd underreporting of Gross Sales by 3% or more; material misrepresentations; unauthorized Transfers; unauthorized use of our intellectual property; breach of brand protection covenant, legal compliance representation or Owner Agreement; failure to timely notify us of a matter described in §15.6; termination of lease due to your default; 3 or more default notices in a 12-month period; or termination of any other agreement between you (or your affiliate) and us (or our affiliate) due to your default. Termination of an ADA for breach of the development schedule is not grounds for termination of any Franchise Agreement otherwise in good standing.
	ADA: 8.1	If we terminate a franchise agreement due to your default, we may terminate the ADA without opportunity to cure.
i. Your obligations on termination/ non-renewal	FA: 21.1	You must: cease use of intellectual property; remove trade dress and alter premises to eliminate resemblance to a Studio; return Manual and branded materials; upon our request, sell EXERBOTICS® Equipment to Gymbot, us or our designee; assign telephone numbers, listings and domain names; assign client information and accounts; cancel fictitious names; comply with data retention policies; and pay amounts due, including an amount equal to your Studio's total outstanding and unredeemed Prepaid Liabilities (also see "r" below).
	ADA: Not Applicable	The ADA does not impose any post-term obligations on you.
j. Assignment of contract by us	FA: 19.1	No restriction on our right to assign.
	ADA: 7.1	

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
k. "Transfer" by you – definition	FA: 1 (definition of Transfer) & 19.2	Includes ownership change or transfer of contract or assets.
	ADA: 1 (definition of Transfer) & 7.2	
l. Our approval of transfer by you	FA: 1 (definition of Permitted Transfer), 19.2 & 19.3	You may engage in a Permitted Transfer (defined in Note 2 in Item 6) without approval. We must approve other Transfers but will not unreasonably withhold approval.
	ADA: 1 (definition of Permitted Transfer), 7.2 & 7.3	
m. Conditions for our approval of transfer	FA: 19.2	Transferee must: meet our qualifications; successfully complete training (or arrange to do so); obtain required licenses and permits; assume your obligations under contracts relating to the Business; sign then-current form of franchise agreement for remainder of term or, at our option, assume your Franchise Agreement; and remodel Studio and upgrade furniture, fixtures and equipment to current standards within 1 year of Transfer or such shorter period of time we specify. You must: be compliant with Franchise Agreement; have opened the Studio; assign lease (if applicable); pay transfer fee (subject to state law); pay transferee an amount equal to your Studio's total outstanding and unredeemed Prepaid Liabilities; subordinate transferee's payments owed to you (if any) to transferee's payments owed to us; and sign general release (subject to state law). We must notify you that we will not exercise our right of first refusal.
	ADA: 7.2	Transferee must: meet our qualifications; successfully complete training (or arrange to do so); and sign then-current form of area development agreement for remainder of term or, at our option, assume your ADA. You must: be compliant with Franchise Agreements and ADA; assign all Franchise Agreements to same purchaser unless we agree to contrary (or we instruct transferee to sign then-current form of franchise agreement); comply with transfer provisions in Franchise Agreements; pay transfer fee (subject to state law); and sign general release (subject to state law). We must notify you that we will not exercise our right of first refusal.
n. Our right of first refusal to acquire your business	FA: 19.5	We can match any offer for your business.
	ADA: 7.5	We can match any offer for your area development rights.
o. Our option to purchase your business	FA: 19.5	We may purchase your Studio when your franchise terminates or expires.
	ADA: Not Applicable	The ADA does not include a purchase option.
p. Your death or disability	FA: 19.4	Within 180 days, interest must be assigned by estate to an assignee in compliance with conditions for other Transfers. We may designate manager to operate the Studio prior to Transfer.
	ADA: 7.4	Within 180 days, interest must be assigned by estate to an assignee in compliance with conditions for other Transfers.
q. Non-competition covenants during the term of the franchise	FA: 14.3	No involvement in a competing business.
	ADA: Not Applicable	The ADA does not impose any noncompetition covenants.

THE FRANCHISE RELATIONSHIP		
PROVISION	**SECTIONS IN AGREEMENT**	**SUMMARY**
r. Non-competition covenants after the franchise is terminated or expires	FA: 14.3 & 21.1	No involvement for 2 years in a competing business conducted from your Studio or anywhere within a 10-mile radius from: (a) your Studio; or (b) any other Studio that is open or under development at the time your franchise terminates or expires.
	ADA: Not Applicable	The ADA does not impose any noncompetition covenants.
s. Modification of the agreement	FA: 24.3 & 24.8	Requires writing signed by both parties (except we may unilaterally change Manual or reduce scope of restrictive covenants). Other modifications to comply with state laws.
	ADA: 12.7	
t. Integration/ merger clause	FA: 24.8	Only the terms of the Franchise Agreement and ADA (if applicable) and their attachments are binding (subject to state law). Any representations or promises made outside the Disclosure Document, Franchise Agreement and ADA may not be enforceable. Nothing in the Franchise Agreement, ADA or any related agreements is intended to disclaim any of the representations we made in this Disclosure Document. No statement, questionnaire or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) disclaiming reliance on any statement made by any franchisor, franchise seller or other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.
	ADA: 12.7	
u. Dispute resolution by arbitration or mediation	FA: 22	Subject to state law, all disputes must be mediated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants or post-term obligations.
	ADA: 10	
v. Choice of forum	FA: 22	Subject to applicable state law, mediation and litigation must take place in Montgomery County, Texas.
	ADA: 10	
w. Choice of law	FA: 24.1	Subject to applicable state law, Texas law governs.
	ADA: 12.1	

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, and/or affiliate-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

Defined Terms

For purposes of this FPR, the following terms have the meanings given to them below.

"***Company-Owned Studio***" means any Studio that is owned by: (a) us; (b) any affiliate of ours; or (c) any person listed in Item 2 of this Disclosure Document if that person, or any other person listed in Item 2 of this Disclosure Document, is involved with managing the Studio.

"***Excluded Expenses***" means all expenses that are excluded from Select Operating Expenses, including

- salary, draw or other compensation for the owner of each studio

- meals and expenses incurred by the owner while promoting the studio
- automobile/vehicle expenses
- certain taxes, including state-specific payroll and property taxes
- fees that might be charged by a third-party provider for payroll processing
- bank service fees
- fees for your water filtration lease, which we estimate to be $720 per year based on the national rate we negotiated with our required vendor
- general supplies, such as cleaning supplies and office consumables
- professional fees
- costs for repairs and maintenance
- phone expenses
- miscellaneous costs such as travel expenses and/or uniform expenses
- royalty and credit card fees, both of which are based on gross revenue
- insurance premiums, which are estimated to be approximately $3,800 per year if you purchase only our minimum required insurance policies
- software and technology fees (including those paid to us or Gymbot and those paid to third parties)

"***FPR***" means the financial performance representation set forth in Item 19 of this Disclosure Document.

"***Franchised Studio***" means any Studio that is owned by a franchisee.

"***Gross Sales***" means all gross sums collected or invoiced from goods and services sold by the Studio (including memberships) or that otherwise relate to the Studio (e.g., advertising revenue, sponsorship fees or business interruption insurance proceeds). Gross Sales excludes: (a) sales or use taxes; (b) revenue from the sale of furniture, fixtures and equipment in the ordinary course; and (c) client refunds. Gross Sales also excludes the retail value of: (a) comped sessions provided to Studio owners and employees (no monthly cap); and (b) up to 10 comped sessions per month (the "Monthly Allowance") provided to friends or family of Studio owners or employees. Gross Sales includes the full retail value of any free or discounted goods or services provided to friends or family of Studio owners or employees in excess of the Monthly Allowance, unless the same pricing is available to the general public as part of an approved promotional program in effect at the time.

"***Marketing***" includes expenses for: social media and digital marketing; magazines, periodicals and TV advertisements; direct mail; networking events; and miscellaneous promotion.

"***Measuring Year***" means the period of time beginning January 1, 2025 and ending December 31, 2025.

"***Non-Retail Studio***" means a Reporting Studio located in a commercial property used for purposes other than selling goods or services directly to consumers (e.g., professional buildings, offices, industrial space).

"***Payroll***" includes employee payroll and payroll taxes and processing fees, but excludes owner's wages.

"***Qualifying Studio***" means any Franchised Studio or Company-Owned Studio that was open and operating the entire Measuring Year.

"***Rent***" includes base rent plus any associated property taxes, property insurance premiums and maintenance costs (i.e., triple net expenses).

"***Reporting Studio***" means any Qualifying Studio that also responded to our annual expense survey from which we obtained the expense data used to prepare the Select Operating Expenses FPR in Table 5 below.

"***Retail Studio***" means any Reporting Studio located in a commercial property designed and used for retail businesses, where goods and services are sold directly to the public (e.g., shopping centers, malls, mixed-use buildings with one or more large anchor tenants that draw consumer foot traffic).

"***Select Operating Expenses***" means and includes Marketing, Payroll, Rent and Utilities, but does not include any Excluded Expenses.

"***Strength Plus Studio***" means any Franchised Studio or Company-Owned Studio that has implemented our Strength Plus program, which expands upon our core strength-and-conditioning offering to include coach-assisted stretching, balance, and brain-health services sold as comprehensive six and twelve-month "transformation plans."

"***Utilities***" includes expenses for electricity, water, gas and internet service.

System Statistics

For purposes of this FPR, each Studio may be referred to as an "outlet." As of December 31, 2025 (the last day of the Measuring Year) there were: (a) 217 Franchised Studios in operation, 206 of which are Qualifying Studios; and (b) 4 Company-Owned Studios in operation, all of which are Qualifying Studios. This FPR includes data from both Franchised Studios and Company-Owned Studios. The table below summarizes the outlet statistics and the number of Qualifying Studios:

System Statistics for FPR							
	2025 Transactions and Statistics				Qualifying Studios	Reporting Studios	Strength Plus Studios
Studio Type	Open Jan 1, 2025	Openings	Closures	Open Dec 31, 2025			
Franchised	211	11	5	217	206	126	56
Company-Owned	4	0	0	4	4	0	4
Total	215	11	5	221	210	126	60

* There are no excluded outlets in this FPR that closed during 2025 after being open less than 12 months.

We have excluded the following Franchised Studios from this FPR:

- 11 Franchised Studios that opened after January 1, 2025
- 5 Franchised Studios that permanently closed during the Measuring Year

Historically, THE EXERCISE COACH® core offering was centered on our specialized form of strength and conditioning (personal training). In 2024, our Company-Owned Studios started piloting an expanded service model—Strength Plus—which adds coach-assisted stretching, and technology-enabled balance and brain-training services to the core offering. In 2025, following the pilot, the Strength Plus program was opened up to 60 initial qualifying studios that voluntarily adopted the program at various points throughout the year. Since none of these Studios operated as Strength Plus for the full Measuring Year, Tables 3 and 4 below present Strength Plus data separately to provide appropriate context. There are no other material differences between the operations of the Qualifying Studios and the franchised business offered under this Disclosure Document. All new franchised outlets must launch as Strength Plus Studios.

Subsets

The Gross Sales FPR in Table 1 presents Gross Sales data for all 210 Qualifying Studios during the Measuring Year (Table 1) and for the first quarter of 2026 (Table 2). This data is first presented separately for Franchised Studios (Tables 1A and 2A), and Company-Owned Studios (Tables 1B and 2B), and then presented combined (Tables 1C and 2C). We have further separately broken down the data by Quartiles based on performance. The table below lists these subsets:

FRANCHISED STUDIO SUBSETS FOR GROSS SALES FPR TABLES 1A AND 2A	
Subsets	**Number of Qualifying Studios in Subset**
Quartile 1 - top 25%	52

FRANCHISED STUDIO SUBSETS FOR GROSS SALES FPR TABLES 1A AND 2A	
Subsets	**Number of Qualifying Studios in Subset**
Quartile 2 - mid-top 25%	52
Quartile 3 - mid-bottom 25%	51
Quartile 4 - bottom 25%	51

COMBINED STUDIO SUBSETS FOR GROSS SALES FPR TABLES 1C AND 2C	
Subsets	**Number of Qualifying Studios in Subset**
Quartile 1 - top 25%	53
Quartile 2 - mid-top 25%	53
Quartile 3 - mid-bottom 25%	52
Quartile 4 - bottom 25%	52

The Gross Sales FPR in Tables 3 and 4 presents Gross Sales data for the 60 Strength Plus Studios, which are also Qualifying Studios. We first compare first quarter (Q1) 2026 performance to Q1 2025 for Franchised Studios (Table 3A), Company-Owned Studios (Table 3B), and combined studios (Table 3C) that are also Strength Plus Studios. We then show full-year 2025 baseline figures for Franchised Studios (Table 4A), Company-Owned Studios (Table 4B), and combined studios (Table 4C) that are also Strength Plus Studios.

The Select Operating Expenses FPR in Table 5 presents Select Operating Expenses for all 126 Reporting Studios. We have separately broken down this data between Retail Studios and Non-Retail Studios, since the location of the Studio may impact the Select Operating Expenses associated with the Studio (the location of the Studio does not materially impact Gross Sales). The table below lists these subsets:

FRANCHISED STUDIO SUBSETS FOR SELECT OPERATING EXPENSES FPR	
Subsets	**Number of Reporting Studios in Subset**
Retail Studios	71
Non-Retail Studios	55

Gross Sales FPR

The following FPR presents historical Gross Sales data achieved by the 210 Qualifying Studios during the Measuring Year (Table 1) and during the first quarter of 2026 (Table 2). This data is first presented separately for Franchised Studios (Tables 1A and 2A), and Company-Owned Studios (Tables 1B and 2B), and then presented combined (Tables 1C and 2C). The data is broken down into subsets. The data in each subset includes the highest, lowest, median and average Gross Sales figures as well as the number and percentage of Studios in the subset that attained or surpassed the stated average Gross Sales figure.

Table 1 – Gross Sales for Qualifying Studios during the Measuring Year

TABLE 1A – 2025 GROSS SALES: FRANCHISED STUDIOS ONLY					
Subsets for Franchised Studios	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
All (206 Studios)	$734,007	$108,786	$295,870	$304,317	91 (44%)
Quartile 1 (52 Studios)	$734,007	$361,976	$431,623	$459,507	18 (35%)
Quartile 2 (52 Studios)	$361,659	$294,808	$326,293	$326,912	26 (50%)

Quartile 3 (51 Studios)	$294,074	$216,692	$252,102	$253,825	25 (49%)
Quartile 4 (51 Studios)	$215,502	$108,786	$182,018	$173,537	31 (61%)

TABLE 1B – 2025 GROSS SALES: COMPANY-OWNED STUDIOS ONLY					
Company-Owned Studios	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
All (4 Studios)	$660,765	$246,692	$538,774	$496,251	2 (50%)

TABLE 1C – 2025 GROSS SALES: ALL QUALIFYING STUDIOS (COMBINED)					
Subsets for All Qualifying Studios	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
All (210 Studios)	$734,007	$108,786	$297,485	$307,973	93 (44%)
Quartile 1 (53 Studios)	$734,007	$365,509	$441,071	$469,962	21 (40%)
Quartile 2 (53 Studios)	$362,729	$296,932	$327,750	$328,855	26 (49%)
Quartile 3 (52 Studios)	$294,808	$217,256	$255,063	$255,190	26 (50%)
Quartile 4 (52 Studios)	$216,692	$108,786	$182,099	$174,367	31 (60%)

Table 2 – Gross Sales for Qualifying Studios during the First Quarter of 2026

TABLE 2A – Q1 2026 GROSS SALES: FRANCHISED STUDIOS ONLY					
Subsets for Franchised Studios	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
All (206 Studios)	$202,516	$21,830	$74,985	$80,682	89 (43%)
Quartile 1 (52 Studios)	$202,516	$98,642	$121,549	$127,458	18 (35%)
Quartile 2 (52 Studios)	$98,419	$74,853	$84,772	$85,699	25 (48%)
Quartile 3 (51 Studios)	$73,543	$56,486	$64,794	$64,761	26 (51%)
Quartile 4 (51 Studios)	$56,360	$21,830	$44,694	$43,794	27 (53%)

TABLE 2B – Q1 2026 GROSS SALES: COMPANY-OWNED STUDIOS ONLY					
Company-Owned Studios	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
All (4 Studios)	$205,037	$73,491	$139,440	$139,352	2 (50%)

TABLE 2C – Q1 2026 GROSS SALES: ALL QUALIFYING STUDIOS (COMBINED)					
Subsets for All Qualifying Studios	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
All (210 Studios)	$205,037	$21,830	$75,151	$81,799	85 (40%)
Quartile 1 (53 Studios)	$205,037	$101,624	$122,154	$130,437	19 (36%)
Quartile 2 (53 Studios)	$99,932	$75,118	$85,872	$86,416	23 (43%)
Quartile 3 (52 Studios)	$74,853	$56,707	$65,362	$65,282	26 (50%)
Quartile 4 (52 Studios)	$56,486	$21,830	$45,250	$44,038	27 (52%)

The following FPR presents historical Gross Sales achieved by the 60 Strength Plus Studios—which are also Qualifying Studios—comparing Q1 performance year over year (Table 3) and showing their full-year 2025 baseline (Table 4). We first compare Q1 2026 performance to Q1 2025 for Franchised Studios (Table 3A), Company-Owned Studios (Table 3B), and combined studios (Table 3C) that are also Strength Plus Studios. We

then show full-year 2025 baseline figures for Franchised Studios (Table 4A), Company-Owned Studios (Table 4B), and combined studios (Table 4C) that are also Strength Plus Studios.

Table 3 compares Q1 2026 Gross Sales to Q1 2025 Gross Sales for the same 60 Studios that participated in the Strength Plus program during Q1 2026. Of these, 33 Studios adopted Strength Plus before January 1, 2026, while the remaining 27 enrolled at various points during Q1 2026. The Q1 2025 figures reflect each Studio's revenue before it adopted Strength Plus and are included solely for year-over-year comparison.

Table 3 – Gross Sales for Strength Plus Studios – Q1 2026 vs. Q1 2025 Comparison

TABLE 3A – STRENGTH PLUS STUDIOS Q1 COMPARISON: FRANCHISED STUDIOS ONLY					
Franchised Strength Plus Studios	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
2026 Q1 (56 Studios)	$202,516	$60,124	$105,242	$110,174	26 (46%)
2025 Q1 (56 Studios)	$180,171	$37,334	$96,439	$99,017	24 (43%)

TABLE 3B – STRENGTH PLUS STUDIOS Q1 COMPARISON: COMPANY-OWNED STUDIOS ONLY					
Company-Owned Strength Plus Studios	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
2026 Q1 (4 Studios)	$205,037	$73,491	$139,440	$139,352	2 (50%)
2025 Q1 (4 Studios)	$178,314	$61,630	$147,841	$133,906	3 (75%)

TABLE 3C – STRENGTH PLUS STUDIOS Q1 COMPARISON: ALL STUDIOS (COMBINED)					
All Strength Plus Studios	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
2026 Q1 (60 Studios)	$205,037	$60,124	$106,575	$112,119	29 (48%)
2025 Q1 (60 Studios)	$180,171	$37,334	$97,163	$101,343	26 (43%)

Table 4 shows the full-year 2025 Gross Sales for the same 60 Studios appearing in Table 3. These figures represent each Studio's total 2025 revenue regardless of when—or whether—it adopted Strength Plus during that year. Of the 60 Studios, 33 began participating in Strength Plus during 2025 (the earliest starting in Q2 2025), and the remaining 27 did not enroll until 2026. Accordingly, these figures serve as a performance baseline for this group rather than a measure of Strength Plus program results.

Table 4 – Full-Year 2025 Baseline for Strength Plus Studios

TABLE 4A – 2025 BASELINE: FRANCHISED STRENGTH PLUS STUDIOS ONLY					
Franchised Strength Plus Studios	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
All (56 Studios)	$734,007	$168,715	$366,111	$391,361	25 (45%)

TABLE 4B – 2025 BASELINE: COMPANY-OWNED STRENGTH PLUS STUDIOS ONLY					
Company-Owned Strength Plus Studios	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
All (4 Studios)	$660,765	$246,692	$538,774	$496,251	2 (50%)

TABLE 4C – 2025 BASELINE: ALL STRENGTH PLUS STUDIOS (COMBINED)					
All Strength Plus Studios	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
All (60 Studios)	$734,007	$168,715	$371,542	$398,354	27 (45%)

Select Operating Expenses FPR

The following FPR presents historical Select Operating Expenses achieved by the 126 Reporting Studios. The data is broken down into subsets. The data in each subset includes the highest, lowest, median and average Select Operating Expenses as well as the number and percentage of Studios in the subset that attained or surpassed the stated average expense figure.

Table 5 – Select Operating Expenses for Reporting Studios during the Measuring Year

2025 FINANCIAL PERFORMANCE REPRESENTATION – SELECT OPERATING EXPENSES						
Subsets for Reporting Studios	**Expense Metric**	**Highest**	**Lowest**	**Median**	**Average**	**Number/Percentage At or Above Avg.**
All (126 Studios)	Marketing	$81,000	$12,000	$36,618	$37,831	52 (41%)
	Payroll	$271,596	$16,992	$124,032	$129,852	53 (42%)
	Rent	$80,400	$14,400	$38,172	$39,846	55 (44%)
	Utilities	$12,336	$600	$4,686	$5,028	60 (48%)
Retail (71 Studios)	Marketing	$81,000	$12,000	$36,000	$37,325	28 (39%)
	Payroll	$264,000	$27,600	$119,664	$127,254	28 (39%)
	Rent	$80,400	$22,860	$40,140	$42,591	31 (44%)
	Utilities	$12,336	$1,824	$5,688	$5,893	28 (39%)
Non-Retail (55 Studios)	Marketing	$64,340	$14,292	$37,205	$38,484	26 (47%)
	Payroll	$271,596	$16,992	$128,640	$133,206	25 (45%)
	Rent	$68,400	$14,400	$36,060	$36,302	27 (49%)
	Utilities	$12,000	$600	$3,600	$3,912	22 (40%)

Notes to All Tables:

1. Source of Data: We obtained Gross Sales data from our business intelligence software that integrates directly with our required POS system. We obtained Select Operating Expenses data from our annual expense survey that was completed by the Reporting Studios and submitted to us. Reporting Studios provided their Select Operating Expenses as average monthly figures; we annualized each studio's reported figures by multiplying by 12 to arrive at the annual amounts presented in Table 5.

2. Certain Expenses Excluded: This FPR does not reflect all the costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

3. Historical Data: The FPR reflects the historical results achieved by the Qualifying Studios described above.

Some Studios have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mr. Brian Cygan, President/CEO,

Exercise Coach USA, LLC, 531 Telser Rd., Lake Zurich, Illinois 60084, phone: (847) 847-7563, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2023 TO 2025				
Outlet Type	**Year**	**Outlets at the Start of the Year**	**Outlets at the End of the Year**	**Net Change**
Franchised	2023	166	191	+25
	2024	191	211	+20
	2025	211	217	+6
Company-Owned	2023	4	4	0
	2024	4	4	0
	2025	4	4	0
Total Outlets	2023	170	195	+25
	2024	195	215	+20
	2025	215	221	+6

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2023 TO 2025		
State	**Year**	**Number of Transfers**
Arkansas	2023	1
	2024	0
	2025	0
California	2023	0
	2024	3
	2025	1
Colorado	2023	0
	2024	0
	2025	1
Florida	2023	1
	2024	2
	2025	0
Georgia	2023	2
	2024	0
	2025	1
Illinois	2023	2
	2024	0
	2025	2
Iowa	2023	0
	2024	0
	2025	1
Maine	2023	1
	2024	0
	2025	0

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2023 TO 2025		
State	**Year**	**Number of Transfers**
Massachusetts	2023	1
	2024	0
	2025	1
Michigan	2023	0
	2024	1
	2025	0
Missouri	2023	4
	2024	0
	2025	0
New Jersey	2023	1
	2024	0
	2025	0
Nevada	2023	0
	2024	0
	2025	1
New Mexico	2023	0
	2024	0
	2025	1
North Carolina	2023	0
	2024	1
	2025	0
Ohio	2023	0
	2024	2
	2025	0
Pennsylvania	2023	0
	2024	0
	2025	1
South Carolina	2023	2
	2024	2
	2025	1
Tennessee	2023	0
	2024	0
	2025	0
Texas	2023	0
	2024	1
	2025	0
Wisconsin	2023	0
	2024	0
	2025	1

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2023 TO 2025		
State	**Year**	**Number of Transfers**
Total	2023	15
	2024	12
	2025	12

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2023 TO 2025								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
Alabama	2023	1	1	0	0	0	0	2
	2024	2	1	1	0	0	0	2
	2025	2	0	0	0	0	0	2
Arizona	2023	7	1	0	0	0	0	8
	2024	8	0	0	0	0	0	8
	2025	8	0	0	0	0	0	8
Arkansas	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
California	2023	13	7	1	0	0	0	19
	2024	19	4	1	0	0	0	22
	2025	22	2	0	0	0	0	24
Colorado	2023	5	2	0	0	0	0	7
	2024	7	1	0	0	0	0	8
	2025	8	0	1	0	0	0	7
Connecticut	2023	2	0	0	0	0	0	2
	2024	2	0	1	0	0	0	1
	2025	1	0	0	0	0	0	1
Delaware	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
District of Columbia	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Florida	2023	15	4	0	0	0	0	19
	2024	19	3	0	0	0	0	22
	2025	22	1	0	0	0	0	23
Georgia	2023	6	1	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	1	0	0	0	0	8

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2023 TO 2025								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
Idaho	2023	1	0	0	0	0	0	1
	2024	1	1	1	0	0	0	1
	2025	1	0	0	0	0	0	1
Illinois	2023	14	0	0	0	0	0	14
	2024	14	0	0	0	0	0	14
	2025	14	0	0	0	0	0	14
Indiana	2023	5	0	0	0	0	0	5
	2024	5	1	0	0	0	0	6
	2025	6	0	0	0	0	0	6
Iowa	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Kansas	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Kentucky	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Louisiana	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Maine	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Massachusetts	2023	5	0	1	0	0	0	4
	2024	4	0	1	0	0	0	3
	2025	3	0	0	0	0	0	3
Michigan	2023	6	0	0	0	0	0	6
	2024	6	1	0	0	0	0	7
	2025	7	0	0	0	0	0	7
Minnesota	2023	4	1	0	0	0	0	5
	2024	5	1	0	0	0	0	6
	2025	6	0	0	0	0	0	6
Missouri	2023	8	0	0	0	0	0	8
	2024	8	1	1	0	0	0	8
	2025	8	0	0	0	0	0	8
Nebraska	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2023 TO 2025								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
Nevada	2023	0	2	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
New Jersey	2023	7	0	0	0	0	0	7
	2024	7	1	0	0	0	0	8
	2025	8	1	0	0	0	0	9
New Mexico	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	1	0	0	0	1
North Carolina	2023	7	1	0	0	0	0	8
	2024	8	0	0	0	0	0	8
	2025	8	1	0	0	0	0	9
Ohio	2023	9	0	0	0	0	0	9
	2024	9	2	1	0	0	0	10
	2025	10	0	0	0	0	0	10
Oklahoma	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Oregon	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Pennsylvania	2023	6	2	0	0	0	0	8
	2024	8	0	0	0	0	0	8
	2025	8	0	0	0	0	0	8
South Carolina	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
South Dakota	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Tennessee	2023	6	1	0	0	0	0	7
	2024	7	1	0	0	0	0	8
	2025	8	0	1	0	0	0	7
Texas	2023	14	2	1	0	0	0	15
	2024	15	2	1	0	0	0	16
	2025	16	3	2	0	0	0	17
Utah	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

TABLE 3 - STATUS OF FRANCHISED OUTLETS FOR YEARS 2023 TO 2025								
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Termin-ations**	**Non-Renewals**	**Reacquired by Franchisor**	**Ceased Operations - Other Reasons**	**Outlets at End of Year**
Virginia	2023	0	2	0	0	0	0	2
	2024	2	5	0	0	0	0	7
	2025	7	0	0	0	0	0	7
Wisconsin	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Totals	2023	166	28	3	0	0	0	191
	2024	191	28	8	0	0	0	211
	2025	211	11	5	0	0	0	217

TABLE 4 - STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2023 TO 2025							
State	**Year**	**Outlets at Start of Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of Year**
Texas	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
	2025	4	0	0	0	0	4
Totals	2023	4	0	0	0	0	4
	2024	4	0	0	0	0	4
	2025	4	0	0	0	0	4

TABLE 5 - PROJECTED OPENINGS AS OF DECEMBER 31, 2025			
State	**Franchise Agreements Signed But Outlet Not Opened**	**Projected New Franchised Outlets in the Next Fiscal Year**	**Projected New Company-Owned Outlets in the Next Fiscal Year**
California	4	1	0
Colorado	0	1	0
Florida	2	1	0
Georgia	2	1	0
Illinois	1	0	0
Kansas	0	1	0
Minnesota	1	1	0
Missouri	1	1	0
New Jersey	1	2	0
North Carolina	0	1	0
Tennessee	1	3	0
Texas	3	1	0
Utah	1	0	0
Virginia	1	3	0
Totals	18	17	0

Notes:

1. Table 4: The company-owned Studios listed in Texas are owned by our COO, Brad Bundy.

A list of all current franchisees is attached to this Disclosure Document as EXHIBIT "G" (Part A), including their names and the addresses and telephone numbers of their outlets as of December 31, 2025. In addition, EXHIBIT "G" (Part B) lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

In the last 3 fiscal years, some franchisees have signed confidentiality agreements with us. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We have endorsed the following franchisee association:

The Exercise Coach Collaboration Committee
Contact: Ryan Hahn
Email: Ryan.Hahn@exercisecoach-usa.com

There are no independent franchisee organizations that have asked to be included in this Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Our fiscal year ends on December 31st. Audited financial statements of Exercise Coach USA, LLC for the fiscal years ended December 31, 2025, December 31, 2024 and December 31, 2023 are attached to this Disclosure Document as EXHIBIT "H"-1.

ITEM 22 CONTRACTS

Attached to this Disclosure Document (or the Franchise Agreement attached to this Disclosure Document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

Exhibits to Disclosure Document

EXHIBIT "C"	Franchise Agreement
EXHIBIT "D"	Area Development Agreement
EXHIBIT "E"-1	State Addenda
EXHIBIT "E"-2	General Release
EXHIBIT "E"-3	Participation Agreement
EXHIBIT "E"-4	Franchise Resale Agreement

Attachments to Franchise Agreement

ATTACHMENT "B"	Form of Site Approval Notice
ATTACHMENT "C"	Lease Addendum
ATTACHMENT "D"	Owner Agreement
ATTACHMENT "E"	ACH Authorization Form
ATTACHMENT "F"	Confidentiality Agreement

ITEM 23 RECEIPT

EXHIBIT "J" to this Disclosure Document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

EXHIBIT "A"

TO DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
Commissioner of Financial Protection & Innovation
Department of Financial Protection & Innovation
320 West 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
1-866-275-2677

HAWAII
Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Agents for Service of Process:
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS
Illinois Attorney General
Chief, Franchise Division
500 South Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA
Secretary of State
Securities Division
Room E-018
302 West Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Agent for Service of Process:
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020

MICHIGAN
Franchise Section
Consumer Protection Division
525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor
Lansing, MI 48913
(517) 335-7567

MINNESOTA
Commissioner of Commerce
Director of Registration
85 Seventh Place East, #280
St. Paul, Minnesota 55101-3165
(651) 539-1500

NEW YORK
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
Phone: (212) 416-8222

Agents for Service of Process:
Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA
North Dakota Securities Department
State Capitol, 5th Floor, Dept 414 600 East Boulevard Avenue
Bismarck, North Dakota 58505
(701) 328-4712

RHODE ISLAND
Department of Franchise Regulation
1511 Pontiac Avenue, John O. Pastore Complex, Bldg 69-1
Cranston, Rhode Island 02920
(401) 462-9527

SOUTH DAKOTA
Department of Labor and Regulation
Division of Insurance Securities Regulation
124 S Euclid, 2nd Floor
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Agents for Service of Process:
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

WASHINGTON
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501
(360) 902-8760

Mailing Address:
Department of Financial Institutions
Securities Division
PO BOX 41200
Olympia, WA 98504-1200

WISCONSIN
Department of Financial Institutions
Division of Securities
201 W Washington Avenue, Suite 500, Madison, WI 53703
(608) 261-9555

EXHIBIT "B"

TO DISCLOSURE DOCUMENT

FRANCHISOR'S AGENT FOR SERVICE OF PROCESS

GLENN A. BROWNE
300 Saunders Road, Suite 100
Riverwoods, Illinois 60015

In states listed in EXHIBIT "A", the additional agent for Service of Process is listed in EXHIBIT "A".

EXHIBIT "C"

TO DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

[See Attached]



FRANCHISE AGREEMENT

FRANCHISEE: _____
DATE: _____

TABLE OF CONTENTS

1.	DEFINITIONS	1
2.	GRANT OF FRANCHISE	6
3.	TERRITORIAL RIGHTS AND LIMITATIONS	6
4.	TERM AND RENEWAL	7
5.	TRAINING AND CONFERENCES	8
6.	OTHER FRANCHISOR ASSISTANCE	9
7.	ESTABLISHING YOUR BUSINESS	10
8.	MANAGEMENT AND STAFFING.	12
9.	FRANCHISEE ENTITY	13
10.	ADVERTISING & MARKETING.	13
11.	OPERATING STANDARDS.	16
12.	FRANCHISE ADVISORY COUNCIL	22
13.	FEES	23
14.	BRAND PROTECTION COVENANTS.	24
15.	YOUR OTHER RESPONSIBILITIES	26
16.	INSPECTION AND AUDIT	28
17.	INTELLECTUAL PROPERTY	29
18.	INDEMNITY	30
19.	TRANSFERS	30
20.	TERMINATION	32
21.	POST-TERM OBLIGATIONS.	34
22.	DISPUTE RESOLUTION	36
23.	REPRESENTATIONS	37
24.	GENERAL PROVISIONS	37

ATTACHMENTS

ATTACHMENT "A"	Deal Terms
ATTACHMENT "B"	Form of Site Approval Notice
ATTACHMENT "C"	Lease Addendum
ATTACHMENT "D"	Owner Agreement
ATTACHMENT "E"	ACH Authorization Form
ATTACHMENT "F"	Confidentiality Agreement

THE EXERCISE COACH FRANCHISE AGREEMENT

This The Exercise Coach Franchise Agreement (this "Agreement") is entered into as of _____, 202__ (the "Effective Date") between Exercise Coach USA, LLC, an Illinois limited liability company ("we" or "us") and _____, a(n) _____ ("you").

1. DEFINITIONS. Capitalized terms not defined above have the meanings given to them below:

"*Account*" means the checking account you designate from which we deduct fees and other amounts owed to us and our affiliates in accordance with §13.5.

"*ACH Agreement*" means the ACH Authorization Agreement attached as ATTACHMENT "E".

"*Acquired Assets*" means any assets associated with your Studio that we elect to purchase upon termination or expiration of this Agreement, as further described in §21.2(a).

"*AI Technology*" means an engineered or machine-based system designed to simulate human intelligence that exhibits adaptiveness after deployment and/or generates outputs (e.g., predictions, recommendations or decisions) for a given set of inputs/objectives, including systems employing computation techniques to simulate intelligent behavior or automate complex tasks (e.g., machine learning, deep learning, natural language processing, computer vision, neural networks, generative artificial intelligence, predictive analytics, intelligent automation tools and algorithmic processing systems).

"*Alternative Channels of Distribution*" means any channel of distribution other than: (a) retail sales made to clients while present at a Studio; or (b) offering fitness or exercise programs or conducting personal training from any location outside a Studio. Examples of Alternative Channels of Distribution include, but are not limited to: (a) sales through direct marketing, such as over the Internet or through catalogs or telemarketing; (b) sales through retail stores that do not operate under the Marks, such as sporting goods, exercise or department stores; (c) sales made at wholesale; and (d) provision of services through an App or mobile device.

"*Anti-Terrorism Law*" means Executive Order 13224 issued by the U.S. President (or any successor Order), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (or any successor legislation) and all other present and future Laws addressing or in any way relating to terrorist acts and acts of war.

"*Appraised Value*" means the fair market value of the Acquired Assets as determined by independent appraisers in accordance with §21.2(b).

"*Business*" means the franchised business you operate pursuant to this Agreement.

"*Business Data*" means, collectively or individually, Client Data and Operational Data.

"*Certification Training*" refers to any or all of the following: (a) GSC Certification Training; (b) SBB Certification Training; or (c) any other certification training program we implement for Coaches.

"*Claim*" means any action, allegation, assessment, claim, demand, litigation, proceeding or regulatory procedure, investigation or inquiry.

"*Client Data*" means and includes all data and information pertaining to a client including name, address, contact information, date of birth, purchase history and any other information collected in connection with a loyalty or membership program or for any other purpose.

"*Coach*" means any Person who provides personal training services to clients at your Studio.

"*Competing Business*" means a business meeting any of the following criteria:

(a) any business that: (i) specializes in the offer and sale of personal fitness training services that integrate the use of technology to enhance client results; and (ii) generates, or is reasonably likely to generate, at least 50% of its total revenue from sales made to clients who are 50 years of age or older;

(b) any business that solicits, offers or sells franchises or licenses for a business that meets the criteria in clause (a) of this definition; and/or

(c) any business that services, trains, supports, consults with, advises or otherwise assists any Person with respect to the development, management and/or operation of a business that meets the criteria in

clause (a) of this definition.

A Competing Business does not include any THE EXERCISE COACH® studio operated pursuant to a valid franchise agreement or license agreement with us or our affiliate.

"*Confidential Information*" means and includes: (a) Know-How; (b) Business Data; (c) information in the Manual or comprising the System; (d) terms of Definitive Agreements and any amendments thereto; and (e) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, client information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that are: (i) designated as confidential; (ii) known by you to be considered confidential by us; and/or (iii) reasonably to be considered confidential due to their nature. Confidential Information does not include information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you or your Owners, employees or other constituents); (b) you can demonstrate was rightfully possessed by you or an Owner, without obligation of nondisclosure, before we disclosed the information to you or the Owner; (c) is independently developed by you or an Owner without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose the information to you or an Owner without breaching a confidentiality covenant imposed on such third party.

"*Confidentiality Agreement*" means the Confidentiality Agreement attached as ATTACHMENT "F".

"*Copyrighted Materials*" means all copyrightable materials for which we or our affiliate secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Studio.

"*Definitive Agreements*" means, collectively: (a) this Agreement; (b) the Area Development Agreement pursuant to which this Agreement is executed (if applicable); (c) any other Franchise Agreement between you (or your affiliate) and us (or our affiliate) for a Studio or any other franchised concept; and (d) all ancillary agreements executed in connection with the foregoing, including Owner Agreements.

"*Dispute*" means any Claim or dispute between the parties that involves or relates to a Definitive Agreement, the offer or sale of franchise rights or the relationship between the parties.

"*Entity*" means a corporation, partnership, limited liability company or other form of association.

"*Equipment Package*" means the initial set of EXERBOTICS® Equipment and non-proprietary exercise and health-related equipment that you must purchase from Gymbot prior to the Opening Date, as further described in §6.2.

"*Equity Interest*" means a direct or indirect ownership or other beneficial interest in a business or Entity.

"*Excluded Claim*" means any Claim that, according to §22, is not subject to mandatory mediation.

"*EXERBOTICS® Equipment*" means the proprietary exercise equipment you purchase from Gymbot that is currently branded under the name EXERBOTICS®. As used in this Agreement, EXERBOTICS® Equipment also refers to any new or substitute exercise, health or fitness-related equipment that: (a) is proprietary to us, Gymbot or any other affiliate of ours; (b) is branded under any trademark, service mark or logo that we designate, which may be EXERBOTICS® or a different trademark, service mark or logo; and (c) we require (or permit) Studios to use as an approved component of our System.

"*Force Majeure*" means acts or circumstances beyond a party's control, including fire, storm, flood, earthquake, explosion or accident, acts of war or terrorism, rebellion, insurrection, sabotage, epidemic, failures or delays of transportation and strikes, provided that: (a) the non-performing party promptly notifies the other party of the Force Majeure event; (b) the non-performing party is without fault and could not have prevented the delay or failure with reasonable precautions; (c) nothing herein shall excuse or permit any delay or failure to pay fees or other amounts owed on the applicable due date; (d) insolvency, lack of required funds or financing, currency fluctuations, currency devaluations, foreign exchange controls or inflation shall never be deemed Force Majeure; and (e) an epidemic or pandemic of a contagious illness or disease, or economic or financial changes caused by an epidemic or pandemic of a contagious illness or disease, shall never be deemed Force Majeure except to the extent a Governmental Authority mandates

closure (or prevents the opening) of the Studio as a result of such epidemic or pandemic.

"*Franchisee Entity*" means an Entity that: (a) signs this Agreement as the franchisee (if this Agreement is signed by an Entity); or (b) assumes this Agreement subsequent to its execution by the original Owners.

"*General Release*" means our then-current form of Waiver and Release of Claims you and your Owners must sign pursuant to §4.2 in connection with a franchise renewal or §19.2 in connection with a Transfer.

"*Governmental Authority*" means any national, provincial, state, county, local, municipal or other government, or any ministry, department, agency or subdivision thereof, whether administrative or regulatory, or any other body that exercises similar functions, including courts and taxing authorities.

"*Grand Opening Marketing Commitment*" means the minimum amount of money you must spend during your Grand Opening Period to promote the opening of your Studio, as further described in §10.3(b).

"*Grand Opening Period*" means the period of time that: (a) begins not less than 30 days nor more than 90 days prior to your Studio's projected Opening Date; and (b) ends 90 days after your Studio's Opening Date.

"*Gross Sales*" means the total gross sums generated from all goods and services sold from or in connection with your Studio together with all other revenue derived in connection with your Studio, including advertising revenue, sponsorship fees and business interruption insurance proceeds. Gross Sales excludes: (a) sales or use taxes you pay to a Governmental Authority; (b) revenue you collect and later refund to a client in a bona fide refund transaction; and (c) revenue derived from the sale of furniture, fixtures or equipment in the ordinary course. Gross Sales also excludes the retail value of: (a) comped sessions provided to Owners and Studio employees (no monthly cap); and (b) up to 10 comped sessions per month (the "Monthly Allowance") provided to friends or family of Owners or Studio employees. In calculating Gross Sales, you must include the full retail value of any free or discounted goods or services provided to friends or family of Owners or Studio employees in excess of the Monthly Allowance, unless the same pricing is available to the general public as part of an approved promotional program in effect at the time. The Manual may include policies governing the calculation of Gross Sales relating to: (a) proceeds from the sale of gift cards, memberships and/or Packages (including treatment of Prepaid Liabilities); and/or (b) qualifying purchases and redemptions by members under a loyalty or membership program.

"*GSC Certification Training*" means the general strength and conditioning certification training program we developed in order to educate and train Coaches how to provide general strength and conditioning personal training services to clients using our proprietary equipment, protocols and methods.

"*Gymbot*" means our affiliate, Gymbot, LLC, or any affiliate of ours that is a successor to Gymbot, LLC.

"*Improvement*" means any idea, addition, modification or improvement to the (a) goods or services offered or sold at a Studio, (b) method of operation of a Studio, (c) processes, systems, protocols or procedures utilized by a Studio, (d) marketing, advertising or promotional materials, programs or strategies utilized by a Studio or (e) trademarks, service marks, logos or other intellectual property utilized by a Studio, whether developed by you, an Owner, an employee or any other Person.

"*Indemnified Parties*" means and includes us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parents, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

"*Intellectual Property*" means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

"*Interim Manager*" means a Person we designate to temporarily manage your Studio pursuant to §8.5.

"*Interim Term*" means a month-to-month Term extension under the circumstances described in §4.3.

"*IP Dispute*" means any: (a) actual or suspected infringement of the Intellectual Property; (b) challenge to your use of the Intellectual Property; or (c) claim by any Person, other than us or our affiliate, of any rights in or to the Intellectual Property.

"*Know-how*" means and includes our (and our affiliates') trade secrets and other proprietary information relating to the design, construction, development, marketing or operation of a Studio including, but not limited to: architectural plans, drawings and specifications for a prototype Studio; site selection criteria; methods and techniques; standards and specifications; policies and procedures; supplier information and

pricing; marketing strategies; merchandising strategies; and information comprising the System or included in the Manual.

"*Law*" means and includes laws, rules, regulations and ordinances as well as judgments, decrees, orders, advisory opinions, directives, interpretive statements and releases issued by Governmental Authorities.

"*Licenses*" means and includes any and all licenses, permits, certifications, accreditations and other authorizations or approvals that (a) are issued by a Governmental Authority or national accreditation organization and (b) are required Law (or are required by us) for the operation of a Stuido.

"*Local Marketing Commitment*" means the minimum amount of money you must spend each month to advertise and market your Studio after your Grand Opening Period expires, as further described in §10.3(c).

"*Losses*" means and includes: costs, expenses, liabilities and financial loss; actual, compensatory, exemplary, punitive and other damages (including damage to reputation or goodwill); fines and penalties; settlement amounts; judgments; attorneys' fees; experts' fees; court costs; Travel Expenses and other costs associated with investigating or defending a Claim.

"*Management Training*" means our management training program pertaining to the development, management and operation of a Studio in compliance with our System and the Manual.

"*Managing Owner*" means the Owner you designate and we approve with primary responsibility for the overall management and supervision of your Studio in accordance with §8.1.

"*Manual*" means our Business Operations Guide and Brand Standards Manual for operation of a Studio.

"*Marketing Plans*" collectively refers to the grand opening marketing plan and each annual growth plan and marketing budget you must prepare and submit to us for approval in accordance with §10.3(a).

"*Marks*" means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Studios to use, including THE EXERCISE COACH® and associated logos. The Marks also include any distinctive trade dress used to identify a Studio or the products or services it sells.

"*Opening Date*" means the date your Studio opens to the public after we authorize your Studio to open.

"*Operational Data*" means and includes all data and information pertaining to the operation of your Business including employee data, expense data, financial accounting data and Gross Sales data.

"*Owner*" means a Person who either: (a) directly signs this Agreement as the franchisee, either alone or in conjunction with one or more other Persons; or (b) directly or indirectly through one or more intermediaries owns an Equity Interest in the Business or Franchisee Entity.

"*Owner Agreement*" means the Owner Agreement attached as ATTACHMENT "D".

"*Participation Agreement*" means Gymbot's designated form of Participation Agreement that must be signed by you and Gymbot, LLC, which governs your purchase and use of EXERBOTICS® Equipment and license to use certain proprietary software and technology used to operate the equipment.

"*Package*" means a package of prepaid sessions or other services that a client redeems on multiple visits.

"*PCI-DSS*" means the payment card industry data security standard, which is a set of security requirements established by the following major credit card brands from time to time: American Express, Discover Financial Services, JCB International, MasterCard Worldwide, and Visa Inc., which standards are set forth at https://www.pcisecuritystandards.org as of the Effective Date.

"*Permitted Transfer*" means a Transfer: (a) between existing Owners; (b) by the Owners to a new Franchisee Entity for which such Owners collectively own and control 100% of the Equity Interests; or (c) of less than 20% of the Equity Interests in the Business or Franchisee Entity; *provided, however*, that a Permitted Transfer does not include a Transfer that results in the Managing Owner owning less than 20% of the Equity Interests in the Business or Franchisee Entity.

"*Person*" means an individual, Entity, unincorporated organization, joint venture, Governmental Authority, estate (or executor thereof) or trust (or trustee thereof).

"*Post-Term Restricted Period*" means, with respect to you, the two-year period after the termination, expiration or Transfer of this Agreement; *provided, however*, that if a court of competent jurisdiction determines the two-year period is too long to be enforceable then Post-Term Restricted Period means the

one-year period after the termination, expiration or Transfer of this Agreement.

"*Post-Term Restricted Period*" means, with respect to an Owner, the two-year period after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the date on which the Owner no longer owns any Equity Interest in the Business or Franchisee Entity; *provided, however*, that if a court of competent jurisdiction determines the two-year period is too long to be enforceable then Post-Term Restricted Period means: the one-year period after the earlier to occur of: (a) the termination, expiration or Transfer of this Agreement; or (b) the date on which the Owner no longer owns any Equity Interest in the Business or Franchisee Entity.

"*Prepaid Liabilities*" means, as of a given point in time, the total amount of outstanding prepaid liabilities carried by your Studio as a liability for unredeemed gift cards, Packages, memberships or other prepaid items purchased by clients (provided we allow you to retain the proceeds from these sales).

"*Program Participation Rules*" means the policies, procedures, fees and other requirements pertaining to any gift card, loyalty, membership or other system-wide program we implement pursuant to §11.10.

"*Prohibited Activities*" means and includes any of the following: (a) owning, operating or having any other interest (e.g., as a director, officer, employee, manager, consultant, creditor, representative, agent or in any similar capacity) in a Competing Business, other than owning less than 5% of the Equity Interests in a Competing Business that is a publicly-traded company; (b) offering or providing consulting services that refer to or use any of our Know-How or Confidential Information; (c) disparaging or otherwise making negative comments about us, our affiliate, the System or any Studio (this provision does not prohibit disclosure of truthful information to Governmental Authorities); (d) diverting or attempting to divert any potential business or Strategic Relationship opportunity from us or our affiliate; and/or (e) inducing any Person to transfer their business from a Studio to a competitor.

"*Reportable Event*" means any event or occurrence described in §15.6 that you must report to us.

"*Restricted Territory*" means the geographic area within a 10-mile radius from: (a) your Studio (including the Studio); and (b) all other Studios that are operating or under construction when the Post-Term Restricted Period begins; *provided, however*, that if a court of competent jurisdiction determines the foregoing Restricted Territory is too broad to be enforceable then Restricted Territory means the geographic area within a 10-mile radius from your Studio (including the Studio).

"*SBB Certification Training*" means the Coach-Assisted Stretch, Balance and Brain certification training program we developed in order to educate and train Coaches how to provide flexibility, stability, balance and brain training services and programs to clients using our proprietary equipment, protocols and methods.

"*Site Approval Notice*" means the Site Approval Notice attached as ATTACHMENT "B".

"*Site Selection Area*" means the geographic area described in Part C of ATTACHMENT "A" and within which you must find a site we approve for your Studio; *provided, however*, that the Site Selection Area excludes, and shall not be deemed to include, the geographic area within any territory assigned to another Studio that: (a) is open and operating, under construction, or for which a site has been approved, in each case as of the Effective Date; and (b) is located (or will be located) in the geographic area described in Part C of ATTACHMENT "A".

"*Site Selection Protection Period*" means the period of time that begins on the Effective Date and ends on the earlier of: (a) the date we approve the site for your Studio; or (b) the end of the 120th day after the Effective Date.

"*Strategic Relationships*" means strategic business relationships that we may, from time to time, establish with vendors, insurance companies, third-party payers or other Persons in order to enhance our System or expand the potential client base for Studios, as further described in §6.8.

"*Studio*" means any studio we authorize to operate under the Marks and use our System.

"*Successor Agreement*" means our then-current form of Franchise Agreement you must sign pursuant to §4.2 in connection with a renewal of your franchise rights.

"*System*" means the system we developed for the operation of a Studio, the distinctive characteristics of which include: distinctive interior and exterior design, décor, signage, color scheme and other trade dress elements; utilization of proprietary EXERBOTICS® Equipment, strength scoring methodologies and other

technology and data-driven protocols; Management Training, Certification Training and other comprehensive training programs; development and implementation of Strategic Relationships; advertising and marketing strategies; merchandising strategies; and operating system.

"*TEC Apps*" means Gymbot's proprietary THE EXERCISE COACH Health Platform™, which provides a real-time data stream of strength and other measures from EXERBOTICS® Equipment and other tech-enabled equipment to Studio clients via web-based and/or mobile applications. It may also refer to any modified or successor program or system we implement in the future for a purpose the same as, or similar to, that of TEC Apps, which may include enhancements in functionality such as asynchronous communication, health tracking and social interaction with clients.

"*Technology Systems*" means all information and communication technology systems we specify from time to time, including, without limitation, computer systems, point-of-sale systems, online scheduling systems, data management systems, AI Technology, webcam systems, telecommunications systems, security systems, music systems and similar systems, together with the associated hardware, software (including cloud-based software) and related equipment, software applications, apps, and third-party services relating to the establishment, use, maintenance, monitoring, security or improvement of these systems, including the software and technology associated with EXERBOTICS® Equipment and TEC Apps.

"*Term*" means the period of time beginning on the Effective Date and expiring on the earlier to occur of: (a) the 10th anniversary of the Effective Date; or (b) the date this Agreement is effectively terminated.

"*Territory*" means the exclusive territory for your Studio, as further described in §3.

"*Third-Party Technology*" means any Technology Systems (or components thereof) that are owned by Persons who are not affiliated with us.

"*Transfer*" means any direct or indirect, voluntary or involuntary, assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of:

(a) this Agreement (or any interest therein);

(b) the franchise or intellectual property rights granted by this Agreement (or any interest therein);

(c) the Business you conduct pursuant to this Agreement (or any interest therein);

(d) your Business assets, excluding the sale of furniture, fixtures or equipment in the ordinary course; or

(e) an Equity Interest in the Business or Franchisee Entity;

including by: merger or consolidation; judicial award, order or decree; issuance of additional Equity Interests (including public and private offerings); foreclosure of a security interest by a lender; or operation of Law, will or a trust upon an Owner's death (including via the Laws of intestate succession).

"*Travel Expenses*" means and includes all travel, meals, lodging, local transportation and other living expenses incurred: (a) by us and our trainers, field support personnel, auditors or other representatives to visit your Studio; or (b) by you and your personnel to attend training programs or conferences.

2. GRANT OF FRANCHISE. We hereby grant you the right, license and obligation to own and operate one (1) Studio using our Intellectual Property from the site we approve. As a franchisee, you will establish and operate a business that provides a comprehensive system of personal training using proprietary equipment, protocols and methods. We reserve all rights not expressly granted to you.

3. TERRITORIAL RIGHTS AND LIMITATIONS.

3.1. Designation of Territory. We grant you an exclusive territory (your "Territory") that will include at least 5,000 qualified households as of the date we designate your Territory. A "qualified household" refers to any household with annual household income of at least $120,000. We may designate the boundaries of your Territory in any manner we deem appropriate. We may use data from any source we deem appropriate to determine the number of qualified households within an area. We do not modify your Territory based on changes to the number of qualified households during the Term. If we approve the site for your Studio before you sign this Agreement, we will describe your Territory in Part E of ATTACHMENT "A". Otherwise, we will describe your Territory in the Site Approval Notice we send to you after approving your site. Upon renewal, we reserve the right to modify your

Territory in accordance with our then-current territory guidelines and criteria.

3.2. **Territorial Protections and Limitations**. During the Term we will not develop or operate, or license a third party to develop or operate, a Studio that is located in the Territory. We and our affiliates reserve the right to: (a) sell, and license third parties to sell, competitive or identical goods and services (including under the Marks) within the Territory through Alternative Channels of Distribution; and (b) sell EXERBOTICS® Equipment (and any other exercise, fitness or other equipment developed in the future) and license proprietary software and technology to third parties within the Territory except to the extent prohibited by the terms of the Participation Agreement.

3.3. **Limited Site Selection Area Protections**. If we do not approve the site for your Studio before you sign this Agreement, then your designated Site Selection Area will receive the same territorial rights and protections (and be subject to the same limitations) that apply to your Territory, as set forth in §3.2 above, but only during the Site Selection Protection Period. There are no territorial rights or protections applicable to the Site Selection Area after the Site Selection Protection Period expires.

4. TERM AND RENEWAL.

4.1. **Generally**. This Agreement grants you the right to operate your Studio during the Term. You may renew your franchise rights by signing a Successor Agreement for an additional five (5) year renewal term. There is no limit on the maximum number of Successor Agreements you may sign. In order to sign a Successor Agreement you must satisfy all renewal conditions specified in this Agreement or the Successor Agreement you wish to renew, as applicable. The Successor Agreement will be the current form of franchise agreement we use to grant franchises as of the expiration of the Term or renewal term, as applicable, the terms of which may vary materially and substantially from the terms of this Agreement. If this Agreement is a Successor Agreement, the Term of this Agreement and your remaining renewal rights, if any, shall be governed by your original franchise agreement.

4.2. **Renewal Requirements**. In order to renew, you and the Owners (as applicable) must:

(a) send us a notice of your intent to enter into a Successor Agreement not less than 240 days nor more than one (1) year before the expiration of the Term or renewal term, as applicable;

(b) not be in default under any Definitive Agreement at the time you send the renewal notice or sign the Successor Agreement;

(c) sign the Successor Agreement and all ancillary documents we require franchisees to sign;

(d) sign a General Release;

(e) pay us a renewal fee equal to 20% of our then-current, non-discounted, initial franchise fee;

(f) remodel the Studio and upgrade all furniture, fixtures and equipment to conform to our then-current standards and specifications; and

(g) extend the term of your lease for the duration of the renewal term.

We may prohibit renewal if: (a) you fail to satisfy any renewal condition listed above; (b) on two (2) or more occasions during any 12-month period during the prior term, you fail to pay amounts owed to us or our affiliates when due; or (c) we discontinue offering and selling franchises in your market. If we elect not to renew or offer you the right to renew, we will send you a notice of non-renewal at least 180 days prior to the expiration date, which shall set forth the basis for our decision. If you have any objection to our notice of non-renewal, including a dispute as to the basis for our decision, you must send us a notice of objection that sets forth the basis for your objection. Your notice of objection must be sent to us no later than 30 days after you receive our notice of non-renewal. Your failure to send us a notice of objection during such 30-day period constitutes your consent to the non-renewal of your franchise. Our failure to send you a notice of non-renewal at least 180 days prior to the expiration date constitutes our offer to renew your franchise in accordance with, and subject to, the renewal terms and conditions set forth above.

4.3. **Interim Term**. If you do not sign a Successor Agreement but continue to operate your Studio after the Term expires, we may either treat this Agreement as: (a) expired as of the Term expiration date with you operating in violation of our rights; or (b) continued on a month-to-month basis (the "Interim Term") until either party provides the other party with 30 days' prior notice of termination of the Interim Term. All your obligations remain in full force and effect during the Interim Term, if applicable, as if this Agreement had not expired, and all obligations imposed on you upon expiration of the Term will take effect upon termination of the Interim Term.

5. TRAINING AND CONFERENCES

5.1. **Initial Training**. Your Managing Owner and other personnel we designate must successfully complete our initial training program at least seven (7) days prior to your Opening Date. Our initial training program includes: (a) Management Training for your Managing Owner and Studio manager(s); and (b) Certification Training for your Coaches. You must procure all insurance required by §15.1 before attending initial training.

5.2. **Certification Training**. No Person (including your Managing Owner and Studio managers) may serve as a Coach at your Studio prior to successful completion of GSC Certification Training and SBB Certification Training. We may implement Certification Training, in whole or in part, using an online Learning Management System (LMS). As a condition to certification, we may require that the trainee pass a series of written tests and practical exams and satisfy other criteria we establish. We provide Certification Training to your initial Coaches as part of our pre-opening initial training program. Your existing certified Coaches must provide Certification Training to new Coaches you hire after the Opening Date using the online tools and resources we make available through LMS (or in any other manner we designate).

5.3. **Post-Opening Training**. Any new Managing Owner, manager or Coach appointed or hired after your Opening Date must successfully complete our then-current Management Training or Certification Training program, as applicable, before he or she may serve as a Managing Owner, manager or Coach at your Studio. We may offer periodic refresher or supplemental training courses for your Managing Owner, managers and/or Coaches. We may designate each course as mandatory or optional. If we determine your Studio is not operating in full compliance with this Agreement or the Manual, we may require that your Managing Owner, manager and/or Coaches attend remedial training relevant to your operational deficiencies. We may, but need not, provide additional assistance or training requested by you at a mutually convenient time.

5.4. **Training Location and Liability Waivers**. Our training programs may take place at any location we designate. We reserve the right to conduct training programs virtually. Prior to attending any training program involving exercise or any other form of physical training, the trainee must sign our prescribed form of waiver and release of liability relating to any injuries, harm, damages or losses the trainee may incur or sustain while training.

5.5. **Training Fees & Expenses**. We provide our pre-opening initial training program in exchange for the $5,000 initial training fee due upon execution of this Agreement. The initial training fee includes Management Training for up to four (4) trainees and Certification Training for your initial coaches. We may charge an additional training fee of $625 for each Person you send to Management Training in excess of four (4). We may charge a training fee of up to $500 per Person per day for any Person who attends: (a) Management Training after the Opening Date; (b) retraining (after failing a prior attempt); (c) remedial training; (d) additional training you request; or (e) refresher or supplemental training. We may charge a certification training fee (including for recertification training) of up to: (a) $250 per certification for each Person who registers for GSC Certification Training; and (b) $550 per certification for each Person who registers for SBB Certification Training; *provided, however*, that we do not charge additional fees for any Certification Training we provide in connection with the pre-opening initial training program except as otherwise provided in §5.6. If we provide onsite training or assistance, you must also reimburse all Travel Expenses we incur. You are responsible for all wages and Travel Expenses you and your personnel incur to attend training programs.

5.6. **Training for Area Developers**. If this Agreement is executed pursuant to an Area Development Agreement then we may, in accordance with the Area Development Agreement, require you to: (a) complete additional training programs specific to area developers and multi-unit operators; and (b) pay additional training fees that we impose in connection with such training programs. If your Managing Owner, and each Person who will serve as an initial manager at the Studio you develop pursuant to this Agreement, successfully completed Management Training prior to execution of this Agreement then we may, at our option, waive the pre-opening Management Training program described in §5.1 and the associated $5,000 initial training fee, in which case you must pay us Certification Training fees for each Person who registers for Certification Training.

5.7. **Conferences**. We may hold periodic conferences to discuss business and operational matters relevant to Studios. Attendance is mandatory unless: (a) we designate attendance as optional; or (b) we waive your obligation to attend based on showing of good cause. We may charge you a conference registration fee of $500 per Person per day. You are still responsible for the conference registration fee if you fail to attend a required conference without a waiver. You are also responsible for all wages and Travel Expenses you and your personnel incur to attend conferences.

6. OTHER FRANCHISOR ASSISTANCE.

6.1. **Manual**. We provide you with access to our Manual during the Term. The Manual will help you develop and operate your Studio. The information in the Manual is confidential and proprietary and may not be disclosed to third parties without our prior approval.

6.2. **Equipment Package**. As part of our centralized procurement program, you must purchase our designated Equipment Package from Gymbot. The equipment included in our current Equipment Package, and the estimated cost, is set forth in the table in Part F of ATTACHMENT "A". We may change the equipment included in the Equipment Package, and the associated pricing, at any time. You must purchase your Equipment Package at the time we designate based on your construction schedule and projected Opening Date. Gymbot will arrange for: (a) the Equipment Package to be shipped to and installed at your Studio; and (b) the configuration and setup of your EXERBOTICS® Equipment. You must provide the installation crew with sufficient access to your Studio to complete the installation and setup process. The purchase price for the Equipment Package, plus estimated shipping, installation and setup costs, is due in full at the time the order is placed. If the actual installation and setup costs exceed the estimated amount, you will be invoiced for the difference. If the actual installation and setup costs are less than the estimated amount, we may, at our option, choose between: (a) having Gymbot refund the difference to you; or (b) issuing you a credit against royalty fees or other amounts you owe. After the Opening Date, you must purchase your entire supply of new (or replacement) equipment exclusively from Gymbot unless we designate or approve another supplier. We reserve the right to require that you purchase some or all equipment included in the Equipment Package directly from third-party suppliers that we designate.

6.3. **Proprietary Software and Technology**. Our affiliate, Gymbot, will license you the right to use the proprietary TEC Apps and software associated with the EXERBOTICS® Equipment. At the time you sign this Agreement, you and Gymbot must sign Gymbot's current form of Participation Agreement, which governs you right to use Gymbot's proprietary software and technology. In accordance with the Participation Agreement, you must pay Gymbot a monthly technology fee for certain technical services associated with: (a) EXERBOTICS® Equipment, including database management, data backup services, asset management and equipment maintenance; and (b) TEC Apps. For purposes of clarity, the EXERBOTICS® Equipment is not operational except when used in conjunction with the proprietary software that: (a) must be licensed from Gymbot; and (b) is not transferable except with our (and Gymbot's) prior written consent, which consent may be withheld in our and/or Gymbot's sole discretion. After this Agreement terminates or expires: (a) the EXERBOTICS® Equipment cannot be used; and (b) you may not sell the EXERBOTICS® Equipment to any other Person, including another THE EXERCISE COACH® franchisee. Gymbot reserves the right to discontinue licensing the proprietary TEC Apps and software associated with the EXERBOTICS® Equipment.

6.4. **General Guidance**. We will periodically review and evaluate your Studio and reports you submit to us and provide our guidance and recommendations on ways to improve the operation of your Studio. We will be available to render advice, discuss problems and offer general guidance to you during normal business hours by phone, email or other means of communication.

6.5. **Field Visits**. We have the right, but not the obligation, to conduct periodic field visits for purposes of providing onsite consultation, assistance and guidance pertaining to the operation and management of your Studio. We will provide a report detailing any problems or concerns observed during the field visit together with our instructions to address or resolve them. You must implement all mandatory corrective measures in the time and manner we specify.

6.6. **Website**. We currently maintain a corporate website for our brand. We will also create and host a webpage for your Studio that will: (a) be linked to our corporate website; and (b) list information about your Studio we deem appropriate, such as address, hours of operation and contact information. We control all content on your Studio's webpage but will consider your suggestions in good faith. We will own your Studio's webpage and domain name. We may change or discontinue our website and/or your Studio's webpage at any time.

6.7. **Client Referrals**. If a prospective client contacts us through our website or calls our corporate headquarters, we will use reasonable efforts to refer the prospective client to the most conveniently located Studio in accordance with our then-current policies. However, we have no obligation to generate clients for your Studio.

6.8. **Strategic Relationships**. From time to time, we may, but need not, establish Strategic Relationships in order to enhance the System or expand the potential client base for Studios. You must participate in all Strategic Relationships in accordance with the terms and conditions we negotiate with the Strategic Relationship partner. We may designate any program involving a Strategic Relationship as a system-wide program subject to the terms of §11.10, including any Program Participation Rule we establish relating to the program. Strategic Relationships, and the associated programs, may change from time to time. We have no obligation to maintain existing Strategic Relationships or develop new ones. We have the exclusive right to establish Strategic Relationships and enter into agreements with Strategic Relationship partners. You are prohibited from doing so. You must refer all potential Strategic Relationship opportunities to us.

6.9. **Purchase Agreements**. We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for franchisees. We will arrange for you to be able to purchase the goods or services directly from the supplier at the discounted prices we negotiate (subject to any rebates the supplier pays to us). We or our affiliate may also purchase goods from suppliers in bulk and resell them to you at our cost plus shipping fees and a reasonable markup.

6.10. **New Developments**. We may, but need not, develop or create new: (a) retail products, merchandise or other goods or services for sale at your Studio; or (b) exercise equipment you may use at your Studio. You must comply with any minimum inventory stocking requirements in the Manual.

7. ESTABLISHING YOUR BUSINESS

7.1. **Site Selection**. Within 60 days after the Effective Date, you must submit to us, for our approval, at least one (1) proposed site for your Studio. Each site you propose must be located in the Site Selection Area and conform to our minimum site selection criteria. You must send us a complete site report that includes all documents, information, photos and video we require. We may accept or reject sites you propose in our commercially reasonable judgment. We will notify you of our decision within 30 days after we receive all requisite materials. Your site is deemed disapproved if we do not issue our approval within the 30-day period. You must secure our approval of the site for your Studio within 90 days after the Effective Date; *provided, however*, that we may (but need not) grant you one (1) or more 30-day extension periods if you demonstrate to our satisfaction that: (a) you used diligent, good faith efforts to find an approved site throughout the 90-day site selection period; and (b) you were unable to secure our approval of your site in a timely manner due to reasons

outside your control. If we approve the site for your Studio before signing this Agreement, we list the address of your approved site in Part D of ATTACHMENT "A". Otherwise, we list the address of your approved site in the Site Approval Notice we send to you within 30 business days after approving your site. Our approval of the site and designation of your Territory is immediately effective and binding on you at the time we issue the Site Approval Notice. Our approval of a site is not a representation or warranty of any kind, express or implied, of the suitability of the site for a Studio. It only means we believe the site meets our minimum criteria.

7.2. **Lease**. If you lease the premises for your Studio, we must approve your lease before you sign it. You must use best efforts to ensure your landlord signs the prescribed form of Lease Addendum attached hereto as ATTACHMENT "C". If your landlord refuses to do so we may either: (a) waive the Lease Addendum requirement (or the provisions disapproved by the landlord); or (b) require you to find a new site for your Studio. You must hire a real estate attorney to review and negotiate the terms of your lease (we may waive this obligation if you are a licensed real estate attorney or broker). You may hire our recommended real estate attorney or you may hire a real estate attorney of your own choosing. If you do not hire an attorney (and we do not waive the requirement for you to do so) then: (a) a real estate attorney we designate must review the lease to ensure the terms are consistent with our brand standards and negotiate the Lease Addendum if the landlord does not agree to sign our standard form; and (b) you must reimburse us for all legal fees we pay to our designated real estate attorney to provide these services. You and the landlord must sign the lease and Lease Addendum within 120 days after the Effective Date. You must promptly send us an executed copy of your lease and Lease Addendum for our records.

7.3. **Construction**. The Manual includes generic prototype plans and our standards and specifications for the design, layout, equipping and trade dress for a Studio. You must hire a licensed and bonded architect to prepare initial design plans for the construction of your Studio and leasehold improvements. We must approve the initial design plans to ensure they are consistent with our system standards. Once approved, your architect must prepare detailed construction plans that: (a) are consistent with the approved design plans; (b) satisfy all required standards and specifications in the Manual; and (c) comply with all Laws (including the Americans with Disabilities Act), building codes, permits and lease requirements and restrictions applicable to the premises. You must submit the final construction plans to us for approval. The limited purpose of our review is to verify the construction plans are consistent with our system standards. Once approved, you must, at your sole expense, construct and equip the premises according to the approved construction plans and the specifications in the Manual. You must also purchase (or lease) and install all furniture, fixtures, signs and other items we require. You must purchase the Equipment Package from Gymbot, who will arrange for the delivery, installation and setup of the equipment at your Studio, in accordance with §6.2. At all times during the construction process, you must maintain the minimum general liability and property damage insurance required by the Manual.

7.4. **Opening**. You must open your Studio to the public within 120 days after: (a) the date you sign the lease or purchase contract for the Studio's premises (if you do not own the premises as of the Effective Date); or (b) the Effective Date (if you own the premises as of the Effective Date); *provided, however*, that we may (but need not) grant you one (1) or more 30-day extension periods if you demonstrate to our satisfaction that: (i) you used diligent, good faith efforts to open the Studio before the deadline; and (ii) your inability to open the Studio before the deadline was due to reasons outside your control. You must provide us with at least 30 days' prior notice of your proposed Opening Date. We may conduct a pre-opening inspection (either in-person or virtual) of your Studio. If we conduct a virtual inspection, you must facilitate the virtual inspection in accordance with our instructions. You must make all changes and modifications we require before the Opening Date. You may not open your Studio prior to receipt of our written authorization to open. We will not issue our authorization to open before:

(a) your Managing Owner and manager(s) successfully complete Management Training;

(b) your Coaches successfully complete Certification Training;

(c) you secure all required Licenses;

(d) you purchase all required insurance policies and provide us with evidence of coverage;

(e) we review and approve the construction, build-out and layout of your Studio;

(f) you have at least three (3) certified Coaches and 120 hours of weekly coaching availability; and

(g) you fulfill all of your other pre-opening obligations under this Agreement and the Manual.

7.5. **Relocation**. You may relocate your Studio with our prior approval, which we will not unreasonably withhold. If we allow you to relocate you must: (a) locate your new Studio within the Site Selection Area (but outside any territory assigned to another Studio); (b) comply with §7.1 through §7.4 with respect to your new Studio (excluding the opening deadline); (c) deidentify your former Studio in accordance with §21.1(k); (d) pay us a $2,500 relocation fee at the time we approve your request to relocate; and (e) open your Studio at the new site and resume operations within 30 days after closing your Studio at the former site; *provided, however*, that if you relocate because your Studio is destroyed, condemned or otherwise rendered unusable due to the physical condition of the premises, then you have: (a) 90 days after the closure to obtain our approval of the new site; and (b) 120 days after we approve the new site to develop and reopen the Studio at the new site (subject to any 30-day extension(s) we may grant under the circumstances described in §7.1 or §7.4). We may require you to conduct another grand opening marketing campaign in accordance with §10.3(a) and §10.3(b) to promote the opening of your Studio at the new site.

8. MANAGEMENT AND STAFFING.

8.1. **Owner Participation**. You must designate an Owner with primary responsibility for the management and operation of your Studio (the "Managing Owner"). The Managing Owner must: (a) be approved by us; (b) have binding decision-making authority on matters involving your Studio; (c) successfully complete all training programs we require; (d) provide consistent (at least weekly) and reasonable levels of oversight and supervision of all managers and Coaches to ensure the Studio is operated in accordance with this Agreement and the Manual; and (e) at all times own at least 20% of the Equity Interests in the Business or Franchisee Entity unless we waive the requirement.

8.2. **Managers**. You may hire a Studio manager to assist the Managing Owner with onsite management of the Studio. Any Person you hire as a manager must: (a) successfully complete all training programs we require; and (b) sign a Confidentiality Agreement. Either the Managing Owner or a Studio manager must be onsite at your Studio during normal business hours. The Managing Owner remains responsible for the manager's work and must retain leadership responsibility.

8.3. **Coaches**. You must ensure your Studio has a sufficient number of certified Coaches in order to operate at full capacity and in compliance with this Agreement and the Manual. You may not allow any Person to provide personal training (or similar services) to clients at your Studio other than a Coach. Any Person who serves as a Coach must: (a) successfully complete GSC Certification Training and SBB Certification Training before he or she begins working with clients at your Studio; (b) sign a Confidentiality Agreement; and (c) satisfy any other minimum criteria we reasonably establish from time to time for Coaches. We recommend, but do not require, that your Managing Owner and Studio manager(s) serve as Coaches.

8.4. **Employees**. You must determine appropriate staffing levels for the Studio to ensure full compliance with this Agreement and our system standards. You may hire, train and supervise employees to assist you with the proper operation of the Studio. You must conduct background checks to ensure they do not pose a risk to clients. You must pay all associated wages, commissions, benefits, worker's compensation premiums and payroll taxes (and other withholdings required by Law). These employees will be employees of yours and not of ours. We do not control the day-to-day activities of your employees or the manner in which they perform their assigned tasks. You must inform your employees that you exclusively supervise their activities and dictate the manner in which they perform their assigned tasks. In this regard, you must use your legal business Entity name (not our

Marks or a fictitious name) on employee applications, paystubs, pay checks, employment agreements and similar documents. We do not control the hiring or firing of your employees. You have sole authority and responsibility for all employment-related decisions, including hiring, promotion, hours worked, rates of pay, benefits, work assignments, training and working conditions. We do not provide guidance or advice on these matters. You must ensure each employee signs the acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee that you are his or her sole employer. You must also post a conspicuous notice for employees in the back-of-house area explaining your franchise relationship with us and that you (and not we) are the employee's sole employer. We may prescribe the form and content of this notice.

8.5. **Interim Manager**. We may, but need not, designate a Person (an "Interim Manager") to manage your Studio if either: (a) you fail to appoint an approved replacement Managing Owner, who has successfully completed Management Training, within 30 days after your Managing Owner ceases to perform the responsibilities of a Managing Owner for any reason; or (b) you fail to cure a material breach before the expiration of the cure period. The Interim Manager will cease to manage your Studio at such time that you appoint an approved replacement Managing Owner who has completed training or you cure the material breach, as applicable. If we appoint an Interim Manager, you agree to: (a) pay us a management fee of $275 per day during the period of time the Interim Manager manages your Studio; and (b) reimburse all Travel Expenses incurred by the Interim Manager. The Interim Manager has no liability to you except for gross negligence or willful misconduct. We have no liability to you for an Interim Manager's actions unless we are grossly negligent in appointing the Interim Manager.

9. **FRANCHISEE ENTITY**. You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon request, you must send us a resolution of the Franchisee Entity authorizing the execution of this Agreement, a copy of the Franchisee Entity's organizational documents and a current Certificate of Good Standing. Each Owner of the Franchisee Entity, and the spouse of each Owner who is a natural Person, must sign an Owner Agreement.

10. **ADVERTISING & MARKETING**.

10.1. **Brand Fund**. We may, but need not, administer a brand and system development fund to promote public awareness of our brand and improve our System. On each royalty fee due date, you must pay us a brand fund fee equal to 1% of Gross Sales generated during the immediately preceding reporting period. We may use the fund to pay for any of the following:

(a) developing, administering or distributing advertising and marketing materials and programs;

(b) conducting and administering promotions, contests or giveaways;

(c) public and consumer relations and publicity;

(d) brand development;

(e) sponsorships and charitable and non-profit donations and events;

(f) research and development of technology, products and services;

(g) website development and search engine optimization;

(h) development, maintenance and promotion of an ecommerce platform;

(i) development and implementation of quality control programs and satisfaction surveys;

(j) conducting market research;

(k) changes and improvements to the System;

(l) reimbursing us for costs we incur to host franchisee conferences;

(m) fees and expenses charged by advertising agencies we engage to provide marketing services;

(n) collecting and accounting for brand fund fees and preparing financial accountings of the fund;

(o) any other programs or activities we deem appropriate to promote or improve the System; and

(p) direct or indirect labor, administrative, overhead and other expenses incurred by us and/or our affiliates relating to any of these activities, including salary, benefits and other compensation of any of our (and any of our affiliate's) officers, employees or independent contractors based on time spent working on any brand fund matters described above.

We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location and all other matters pertaining to marketing or advertising activities. Any surplus in the fund may be invested and we may lend money to the fund if there is a deficit. The fund is not a trust and we have no fiduciary obligations to you with respect to our administration of the fund. We will prepare, and make available to you upon request, an annual statement of fund operations, including deposits and disbursements. In terms of marketing activities paid for by the fund, we do not ensure that: (a) expenditures in (or affecting) a given geographic area are proportionate or equivalent to the brand fund fees paid by franchisees in that geographic area; or (b) franchisees benefit directly or in proportion to their brand fund fees. We may suspend or discontinue the fund at any time upon 30 days' prior notice.

10.2. Marketing Assistance From Us. We will provide reasonable marketing consulting, guidance and support throughout the Term on an as-needed basis. We review and evaluate all Marketing Plans you must prepare and submit for approval pursuant to §10.3(a). We may create and make available to you advertising and other marketing materials for your purchase. We may: (a) use the brand fund to pay for the creation and distribution of these materials, in which case there will be no additional charge; (b) provide online access to these materials, in which case you must print the materials at your expense; and/or (c) contract with third-party suppliers to create and sell these materials to you.

10.3. Your Marketing Activities.

(a) Marketing Plans. At least 60 days prior to your projected Opening Date, you must prepare a grand opening marketing plan to advertise, market and promote the opening of your Studio during the Grand Opening Period. Your grand opening marketing plan must include any mandatory marketing, advertising and promotional activities we require. At least 30 days before each anniversary of the Opening Date, you must prepare an annual growth plan and marketing budget for the ensuing 12-month period. Your grand opening marketing plan and annual growth plan and marketing budget are referred to as your "Marketing Plans". All Marketing Plans must be: (i) consistent with and, when applicable, incorporate all mandatory provisions in the Manual governing Marketing Plans; and (ii) submitted to and approved by us prior to implementation. Once approved, you must faithfully implement each Marketing Plan in accordance with its terms. You may not materially modify any Marketing Plan without our approval.

(b) Grand Opening Marketing. You must implement the grand opening marketing plan we approve pursuant to §10.3(a). We may require you to contract with a company we designate to prepare and/or implement your grand opening marketing plan. During the Grand Opening Period, you must spend the minimum amount we require on approved local advertising, marketing and promotional activities in accordance with the grand opening marketing plan. This minimum expenditure is referred to as your "Grand Opening Marketing Commitment". Brand fund fees and marketing management or administrative fees or expenses you incur are not credited towards the Grand Opening Marketing Commitment. The amount of your Grand Opening Marketing Commitment applicable during the pre-opening phase of the Grand Opening Period varies based on the number of qualified households in your Territory as follows:

Number of Qualified Households in Territory	Pre-opening Minimum Expenditure Amount
9,000 or fewer	$14,195 to $17,000

Number of Qualified Households in Territory	Pre-opening Minimum Expenditure Amount
9,001 to 12,000	$15,800 to $19,250
12,001 to 15,000	$16,400 to $20,000
15,001 or more	$17,000 to $20,775

The amount of your Grand Opening Marketing Commitment applicable during the 90-day post-opening phase of the Grand Opening Period is $15,000. Any advertising and marketing expenditures you incur during the pre-opening period that exceed the minimum required amount will be credited towards the $15,000 you must spend during the 90-day post-opening period.

(c) Marketing After Grand Opening Period. You must participate at your expense in all advertising, promotional and marketing programs we require, including any advertising cooperative we establish pursuant to §10.4. Commencing upon the expiration of the Grand Opening Period (i.e., the 91st day after the Opening Date), you must spend at least $4,000 each month on approved local advertising, marketing and promotional activities. This minimum monthly expenditure that applies after the Grand Opening Period expires is referred to as your "Local Marketing Commitment". We measure compliance on a rolling six-month basis meaning as long as your average monthly expenditure over the six-month period equals or exceeds the Local Marketing Commitment, you are in compliance even if your expenditure in a given month is less than the Local Marketing Commitment. None of the following fees or expenditures are credited towards your Local Marketing Commitment: (i) brand fund fees; (ii) marketing management or administrative fees; or (iii) advertising or marketing expenditures you incur during the Grand Opening Period, including expenditures exceeding the Grand Opening Marketing Commitment.

(d) Digital Marketing Fee. We may require you to pay a digital marketing fee to a supplier we designate or approve for digital marketing services. Digital marketing fees are credited against your post-opening Grand Opening Marketing Commitment and Local Marketing Commitment. As of the Effective Date you pay a $790 digital marketing fee each month to our affiliate, which provides marketing campaign management, lead generation optimization and analytics services using proprietary technology platforms, advertising strategies and reporting tools. We may change the digital marketing fee upon 30 days' prior notice (not to exceed $1,000 per month).

(e) Advertising Standards. All advertisements and promotions you create or use must be completely factual, conform to the highest standards of ethical advertising and comply with all Laws. You must ensure your advertisements and promotional materials do not infringe upon the intellectual property rights of others. You must comply with any minimum advertised pricing policy we establish from time to time.

(f) Extraterritorial Advertising. You may advertise and market outside your Territory as long as you: (i) obtain our prior approval; (ii) comply with all policies and procedures in the Manual governing extra-territorial marketing, including transitioning clients who reside outside your territory to a Studio that subsequently opens and is assigned a territory that includes the client's residence; and (iii) do not engage in targeted marketing directed into another Studio's territory (unless conducted as part of an advertising cooperative that includes the affected territory). Marketing that is distributed, circulated or received both in your Territory and another Studio's territory is not "targeted marketing" if: (i) you use reasonable efforts to limit circulation or distribution of the advertising to areas in your Territory; and (ii) most recipients of the advertising are located in your Territory and there is only incidental circulation or distribution in another Studio's territory. The meaning of "targeted marketing" that is "directed into a territory" may be further defined in the Manual. Examples include direct mail sent to addresses in a given territory, digital advertising sent to devices with IP addresses registered in a given territory and conducting promotional events in a given territory.

(g) Advertising Approval. Prior to use, we must approve all advertising and marketing programs and materials you intend to use, including all materials we did not prepare or previously

approve, or that we prepare or approve and you modify. We must also approve the media you use. You may not use any advertising materials, programs or media that we have not approved or that we approve and later disapprove. We have 15 days to review and approve or disapprove advertising and marketing materials and programs you submit. They are deemed approved if we do not issue a notice of disapproval during the 15-day period. Any advertising you propose and we approve is an "Improvement" for purposes of §17.5.

(h) Social Media. Under current policy, we are the exclusive owner of all social media accounts associated with Studios and we exclusively control all social media posts. We may, but need not, establish, own and administer one or more social media accounts that, among other things, promote your Studio, in which case: (i) we will retain all ownership rights to the account(s); (ii) we may, but need not, grant you limited access rights to the account(s), but we will retain administrator rights; (iii) you must strictly comply with our social media policy; and (iv) you must immediately remove any content we disapprove (or we may unilaterally remove the content on our own initiative). If we change our policy in the future and allow franchisees to administer their own social media accounts, we will grant you the right to do so, subject to your compliance with all terms and conditions we impose as a condition to granting you such right.

(i) Internet and Websites. Without our prior approval, you may not: (i) develop, host, or otherwise maintain a website (or other digital presence) that references our Marks; (ii) conduct digital or online advertising or marketing; or (iii) engage in ecommerce.

10.4. Advertising Cooperative. We may, but need not, establish regional advertising cooperatives for purposes of creating and/or purchasing advertising programs for the benefit of all Studios located in the region. We may: (a) determine the boundaries of the cooperative; (b) specify the manner in which the cooperative is organized and governed; (c) require the cooperative to be administered in accordance with written bylaws, organizational documents or other governing documents that we approve; and (d) require you to participate in the cooperative according to its rules and procedures and abide by its decisions. You must pay a cooperative advertising fee on each royalty fee due date or such other date specified by the cooperative. We may set the minimum cooperative advertising fee or we may allow the cooperative to set the fee based on majority vote of its members. In either case, the fee will not exceed $2,000 per month. We may either: (a) collect cooperative advertising fees and remit them to the cooperative; or (b) require you to pay these fees directly to the cooperative. All cooperative advertising fees you pay are credited towards your Local Marketing Commitment. We may form, change, merge or dissolve advertising cooperatives in our discretion.

11. OPERATING STANDARDS.

11.1. Brand Standards Manual. You must develop and operate your Studio in full compliance with this Agreement, the Manual and our standards in order to maintain the goodwill associated with the Marks. The Manual may contain, among other things: (a) architectural plans and specifications for the design, dimensions, layout, equipping and trade dress for a prototype Studio; (b) a list of (i) goods and services (or specifications for goods and services) you must purchase to develop and operate your Studio and (ii) designated and approved suppliers; (c) a description of the goods and services that we authorize for sale from your Studio; (d) forms and waiver agreements for use with clients (which must be reviewed by your attorney for compliance with local Laws); (e) specifications, techniques, methods, operating procedures, exercise protocols and quality standards; and (f) policies and procedures pertaining to any matters we deem appropriate, including: reporting and data entry; accounting and bookkeeping; insurance; marketing and advertising; gift card, loyalty and membership programs; AI Technology; and data ownership, use, transfer and protection. The Manual is designed to establish and protect our brand standards and the uniformity and quality of the goods and services offered by Studios. We can modify the Manual at any time. Modifications are binding 30 days after we notify you of the change, subject to any extended "grace period" we provide to implement certain changes. All mandatory provisions in the Manual (whether included now or in the future) are binding on you. The Manual may consist of written text as well as videos, tutorials, training modules, recordings and/or other means of communication, including information

made available through Sharefile or via other official corporate correspondence.

11.2. **Authorized Goods and Services**. You must offer all goods and services we require from time to time in our commercially reasonable discretion. You may not offer any other goods or services without our prior approval. You may only offer the specific classes, exercises and fitness and training programs that we designate or approve. You may not purchase or utilize any exercise equipment, training equipment, or exercise supplies that we have not approved. You must offer only the memberships (and associated options) that we designate. Your memberships must include all of the features and benefits, and only the features and benefits, that we prescribe. We may change authorized goods and services at any time and you must comply with our instructions regarding same. Any such change shall not constitute a termination of this Agreement.

11.3. **Restrictions on Sales Activities and Representations**. Unless you receive our prior approval, you may not: (a) offer, sell or provide goods or services from any location other than your Studio's premises; (b) produce, sell or provide goods or services through any other channel of distribution, including selling goods or services through an ecommerce site or delivering virtual, online or on-demand exercise training or instruction through web-based video services such as Zoom or FaceTime; (c) sell goods or services to any Person for purposes of resale; (d) use your Studio, or permit your Studio to be used, for any purpose other than offering the goods and services we authorize; or (e) provide current or prospective clients with any oral or written warranties, guarantees or claims regarding the quality or results they may achieve as a result of any product, service or program offered at your Studio, other than any warranty, guarantee or claim that we expressly authorize you to make in writing.

11.4. **Pricing**. We will provide you with our suggested retail pricing. You may deviate from our suggested retail pricing at your discretion; *provided, however*, that: (a) you must obtain our approval of any deviation more than 5% higher or lower than our suggested retail pricing unless such pricing is part of a temporary advertising campaign we approved; and (b) we may set maximum or minimum prices on the goods and services you sell to the extent permitted by applicable Law.

11.5. **Client Payments**. You must, at your expense, lease or purchase the necessary equipment and/or software and have arrangements in place with Visa, MasterCard, American Express and all other credit card issuers we designate, in order for you to be able to accept such methods of payment from clients. You must accept debit cards, credit cards, stored value cards, and other non-cash systems (including, for example, Apple Pay and/or Google Wallet) that we specify. You must acquire and install all necessary hardware and/or software used in connection with these non-cash systems.

11.6. **Suppliers and Purchasing**.

(a) Generally. You must purchase, lease or license, as applicable, all goods, services and other items required by the Manual. You must only purchase goods and services that satisfy all standards and specifications we designate. You must comply with all sourcing and supplier restrictions we impose from time to time.

(b) System Suppliers. In accordance with the Manual, you must purchase certain goods and services exclusively from suppliers we designate or approve. The Manual may designate us or our affiliate as a designated or approved supplier. We and our affiliates may generate a profit from these purchases. Our affiliate Gymbot is currently the exclusive designated supplier of: (i) all exercise and other health or fitness-related equipment used at your Studio, and all proprietary software and technology used to operate, or used in conjunction with, the EXERBOTICS® Equipment; and (ii) TEC Apps. Our right to specify the suppliers you use is necessary so we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development and operation of Studios, protect our trade secrets, negotiate bulk purchase discounts and protect the reputation and goodwill associated with our System and Marks. You must immediately discontinue purchasing from any supplier we disapprove.

(c) Approval Process. If you wish to purchase goods or services from an alternative supplier or you wish to purchase an alternative product, you must send us a request for approval that: (i) identifies the proposed supplier and the product to be purchased; (ii) includes all information we require about the product and supplier (including the supplier's qualifications, reputation, financial strength and production capabilities); and (iii) includes samples of the proposed product for examination and testing purposes. We may condition our approval on the supplier's agreement to comply with our minimum insurance, indemnification and confidentiality requirements for system suppliers. We will approve or disapprove your request within 30 days after we receive your request and all information and samples we require. Your request is deemed disapproved if we fail to issue our approval within the 30-day period. You must reimburse all costs and expenses we incur, and pay our hourly fee ($50 per hour) for the time we spend, evaluating products and suppliers you propose. We need not consider alternative suppliers for proprietary products or products branded with our Marks.

(d) Payment Disputes. You understand that: (i) your failure to timely pay a system supplier may jeopardize the supplier's relationship with us and other franchisees; and (ii) the supplier's termination of its relationship with us or refusal to supply goods or services to our franchisees may cause significant harm to us and our franchisees. Accordingly, you agree to promptly pay all amounts owed to system suppliers except as otherwise permitted by this Section. If you have a bona-fide dispute with a supplier that you believe justifies non-payment or partial payment, you must promptly notify the supplier of the particulars of your Claim and diligently pursue resolution of the Claim or prosecution of appropriate legal action. Any trade debt that remains unpaid more than 30 days after its due date constitutes a material breach of this Agreement unless, before the end of the 30-day period, you: (i) come to an agreement with the supplier for alternative payment terms; or (ii) initiate appropriate legal action to contest the trade debt.

(e) Supplier Payments. We may receive rebates, benefits and other consideration from suppliers based on your purchases, leases or licenses. We may retain these payments as compensation and reimbursement for time and expenses we incur to negotiate and manage supplier relationships. We have no obligation to pass them through to you or use them for any particular purpose (except as otherwise agreed to by us and a supplier), although our current intention is to use them for the benefit of the System.

(f) Disclaimer of Liability. Provided that we designate or approve system suppliers in good faith, we shall have no liability to you for their acts, errors or omissions including, without limitation, defective or tainted goods, delayed delivery or inability to meet demand. With respect to goods purchased from us or our affiliate, you acknowledge that we or our affiliate purchase the goods from third-party manufacturers or suppliers and resell them to you as a convenience. If you have any type of Claim relating to the purchase of goods or services from a system supplier, your sole recourse shall be against the supplier. If we or our affiliate are the supplier, your sole recourse shall be against the manufacturer or supplier from whom we or our affiliate acquired the goods unless both: (i) the Claim arises from our (or our affiliate's) failure to supply the goods in breach of our obligations under this Agreement; and (ii) our (or our affiliate's) failure to supply the goods is not caused by a Force Majeure event. ***We and our affiliates make no warranties or representations, and to the fullest extent permitted by Law expressly disclaim all warranties and representations, including the implied warranties of merchantability or fitness for a particular purpose, regarding goods or services you purchase from system suppliers***.

(g) Participation Agreement. If any terms, conditions or disclaimers contained in the Participation Agreement executed by you and Gymbot conflict with any terms, conditions or disclaimers contained in this Agreement, then the terms, conditions or disclaimers contained in the Participation Agreement shall control, but only with respect to goods or services you purchase or license from Gymbot pursuant to the Participation Agreement.

11.7. Equipment Maintenance and Changes. You must maintain your equipment in good condition and

promptly replace or repair equipment that is damaged, worn-out or obsolete. We may require that you change your equipment. Our right to require these changes is critical to our ability to administer and change the System and you must comply with these changes within the time period we reasonably specify.

11.8. Technology Systems.

(a) Generally. You must acquire and utilize all Technology Systems we require from time to time. Technology Systems may relate to matters such as: purchasing; pricing; accounting; order entry; inventory control; security; data storage, retrieval and transmission; client information; client loyalty; marketing; communications; copying, printing and scanning; or any other business purpose we deem appropriate. We may require you to acquire new or substitute Technology Systems and replace, upgrade or update existing Technology Systems, at your expense, upon reasonable prior notice. You are solely responsible for: (i) the acquisition, operation, maintenance, updating and upgrading of your Technology Systems; (ii) the manner in which your Technology Systems integrate and interface with our computer system and those of third parties; and (iii) any consequences resulting from improper use or operation, or failure to properly maintain, update or upgrade, Technology Systems.

(b) Use and Access. You must use Technology Systems in accordance with the Manual and comply with all associated data entry policies. You may not load or permit any unauthorized programs or games on your Technology Systems. You must ensure your employees are adequately trained in the use of the Technology Systems. You agree to take all steps necessary to provide us with independent and unlimited access to data collected by or through your Technology Systems, including Gross Sales data for purposes of calculating fees owed. You must also obtain any necessary signed consents from clients in order for us to access Client Data. Upon request, including upon termination or expiration of this Agreement, you must provide us with the user IDs and passwords for your Technology Systems. All data entered into your Technology Systems is owned by us and constitutes Business Data for purposes of this Agreement.

(c) AI Technology. Except as otherwise provided below or in the Manual, you may not use AI Technology without our approval. You do not need our approval to use commercially available off-the-shelf productivity software with embedded AI Technology features (e.g., Microsoft Office with Copilot or Google Workspace with Gemini) for internal business purposes provided that: (i) you only use commercially available standard features and configurations (e.g., no beta, preview, experimental or custom features, third-party plugins, extensions or integrations); (ii) you do not input, upload, submit, expose or otherwise make available to AI Technology any Confidential Information; (iii) you do not authorize, permit or enable training, fine-tuning, grounding or improvement of any AI models, algorithms, products or services based on Confidential Information (if available, you must affirmatively opt out of any such training or improvement features and send us confirmation of same upon request); (iv) you do not use AI Technology (1) for consumer-facing, client-facing or other external communications, content or materials, (2) for marketing analytics, targeting, lead qualifying, profiling or other activities involving clients or third parties, (3) in violation of any Law, (4) in a manner that may cause physical or psychological harm or materially impact the health, safety or fundamental rights of any natural Person or (5) in any other manner prohibited by the Manual; and (v) you maintain commercially reasonable security measures to prevent unauthorized access to or disclosure of any data processed through such AI Technology and immediately notify us of any suspected or actual data breach, security incident or unauthorized use involving AI Technology.

(d) Disruptions and Errors. You are solely responsible for protecting against computer viruses, bugs, power disruptions, communication line disruptions, internet access failures, internet content failures, date-related problems and attacks by unauthorized Persons. Upon request, you must obtain and maintain cyber insurance and business interruption insurance for technology disruptions. ***We and our affiliates: (i) make no representations or warranties that the Technology Systems will be free from defects or that your use of the Technology Systems will***

be uninterrupted or error-free; and (ii) have no liability for any indirect, consequential, incidental, special or punitive damages (including damages associated with loss of use, interruption of business, loss of data or loss of profits) arising from or relating to the Technology Systems.

(e) Third-Party Technology. You understand and agree that we and our affiliates: (i) do not own or maintain certain software, technology, web-based forms and other tools and Technology Systems you must utilize to operate the Studio ("Third-Party Technology"); and (ii) have no liability to you for any Losses you incur as result of Third-Party Technology not properly functioning. You hereby: (i) waive any and all Claims against us or our affiliates relating to Third-Party Technology; and (ii) acknowledge your sole recourse for any Losses you incur due to improperly functioning Third-Party Technology shall be against the owner or licensor of such Third-Party Technology.

(f) Email Accounts. We may, but need not, provide you with one or more THE EXERCISE COACH® email addresses. We may charge you our then-current fee for each email address we provide (this fee is added to the technology fee described in §11.8(g) below). You must exclusively use these email addresses for all communications with us, clients, suppliers and other Persons relating to your Studio. You may not use them for any purpose unrelated to your Studio. We own the email addresses and accounts but allow you to use them during the Term.

(g) Fees and Costs. You are responsible for all fees, costs and expenses associated with acquiring, licensing, utilizing, updating and upgrading Technology Systems. Certain Technology Systems must be purchased or licensed from third-party suppliers. We and/or our affiliate may develop proprietary Technology Systems (or components thereof) that become part of our System. If this occurs, you agree to: (i) pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees; and (ii) upon request, sign our prescribed form of license agreement governing use of proprietary Technology Systems (or components thereof). We may enter into master agreements with licensors of Third-Party Technology and charge you for amounts we pay them based on your use of their Third-Party Technology. The technology fee includes all amounts you pay us and our affiliates relating to Technology Systems, including amounts paid for proprietary items and amounts we collect from you and remit to suppliers of Third-Party Technology. The technology fee may change based on changes to Technology Systems or prices charged by third parties with whom we enter into master agreements. The technology fee may include a reasonable administrative fee for the time, money and resources we invest to administer the technology platform and associated components, negotiate and manage contracts with third-party licensors, and collect and remit technology fees owed to third-party licensors on behalf of franchisees under master license arrangements. The technology fee does not include amounts you pay directly to third-party suppliers. If your state charges sales tax on technology or software fees, you must pay pay both the technology fee and the applicable sales tax. Technology fees are due 10 days after invoicing or as we otherwise specify. We list the current technology fee in the Manual, but the maximum technology fee during the Term will not exceed $1,425 per month.

11.9. Remodeling and Maintenance. We may periodically require you to remodel and renovate your Studio to conform to our then-current standards and specifications. There is no limitation on the cost or frequency of these obligations. You may not remodel or renovate your Studio without our prior approval. We will not approve any remodeling or renovations that conflict with our then-current standards and specifications. You must maintain your Studio in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements, renewals and alterations, at your sole expense, to conform to our standards and specifications. Without limiting the generality of the foregoing, you agree to take the following actions at your expense: (a) thorough cleaning, repainting, redecorating of the interior and exterior of the Studio's premises at the intervals we prescribe (or at such earlier times that such actions are required or advisable); and (b) interior and exterior repair of the Studio's premises as needed. You must comply with any maintenance, cleaning or facility upkeep schedule we prescribe.

11.10. System Programs.

(a) Generally. We may periodically develop and implement membership, loyalty, gift card, Strategic Relationship and other system-wide programs. You must fully participate in all programs we designate as mandatory. In order to participate you must: (i) comply with all policies and procedures we establish for program participation; (ii) purchase or license and utilize all equipment, software, mobile applications, technology and others items we designate as being necessary for program participation and pay all associated fees and costs; and (iii) pay us, our affiliate, or a third party we designate, all program fees, contributions or other amounts we require for program participation (collectively, "Program Participation Rules"). Program Participation Rules may be set forth in the Manual. We may change Program Participation Rules at any time and you must comply with the change. We may develop and implement new or successor programs and/or modify or terminate existing programs at any time.

(b) Membership Program. We may require that all Studios operate under a membership model, in which case your Studio must honor memberships and the associated benefits and privileges even if the member purchased their membership from another Studio. We have the right to: (i) determine how membership fees are divided or otherwise accounted for; (ii) require that all membership fees be paid to us or deposited into a trust account we control for subsequent disbursement to the Studios(s) visited by the member; (iii) adopt policies regarding cooperation between franchisees relating to members who utilize the services of, or enjoy membership privileges at, multiple Studios; and (iv) designate the use of new Technology Systems to monitor sales and allocate payments to the Studio(s) visited by the member, either in whole or on a percentage basis. We may require you to utilize the form of membership agreement we specify. You must hire an attorney, licensed in your state, to review the membership agreement and advise you of any changes necessary to comply with local Laws. You must obtain our approval of any such changes prior to implementation.

(c) Loyalty Program. You must fully participate and implement all required customer loyalty, rewards and other affinity programs designed to increase customer loyalty, generate new clients or improve overall demand for, and utilization of the services offered by, Studios.

(d) Gift Card Program. You must participate in any gift card program we establish and honor all gift cards, even if purchased from us or another Studio. You may not sell gift cards we have not approved. We have the right to: (i) determine how gift card proceeds are divided or otherwise accounted for; (ii) require that gift card proceeds be paid to us or deposited into a trust account we control for subsequent disbursement to the Studio(s) where the gift card is redeemed; and (iii) retain proceeds from unredeemed gift cards.

11.11. Package Sales. If we require or allow your Studio to sell Packages (i.e., a package of training sessions, exercise classes, etc. that may be redeemed on multiple visits), we may adopt policies governing cooperation between franchisees when a client purchases a Package at one Studio and redeems services at a different Studio. Alternatively, we may prohibit clients from purchasing a Package at one Studio and redeeming services at a different Studio. We have the right to: (a) determine how proceeds from the sale of Packages are divided or otherwise accounted for; (b) require that sales proceeds be paid to us or deposited into a trust account we control for subsequent disbursement to the Studio(s) where services are redeemed; and (c) retain proceeds from unredeemed services ("breakage"). Under current policy, however, we allow you to retain all sales proceeds from any Package purchased from your Studio (including breakage) provided that you satisfy each of the following requirements:

(a) you remain in good standing under all Definitive Agreements;

(b) you separately record, track and carry all Prepaid Liabilities as a liability (we may also track and provide you with reports of your Prepaid Liabilities);

(c) you comply with all financial reporting requirements set forth in the Manual, including timely

submission of all data we require through designated Technology Systems; and

(d) you obtain before opening, and continuously maintain throughout the Term and any Renewal Term, the surety bond or other financial assurance required under §13.8.

11.12. Hours of Operation. Your Studio must be open for business during the minimum days and hours of operation set forth in the Manual, subject to any conflicting requirements in your lease or imposed by Law. You must establish specific days and hours of operation and submit them to us for approval.

11.13. Standards of Service and Professionalism. You must treat your employees and clients, and our staff, with honesty and respect. You and your staff must provide prompt, courteous, friendly and efficient service to all clients and ensure all interactions with clients are conducted in a professional and ethical manner. We have the right to contact your clients and assess their satisfaction with your Studio via completion of interviews, surveys or questionnaires, or using any other method we deem appropriate. If you receive a client complaint, you must follow the complaint resolution process we specify to protect the goodwill associated with the Marks.

11.14. Quality Assurance Programs. For quality control purposes we may periodically: (a) inspect your Studio in accordance with §6.5 and §16.1; (b) hire mystery shoppers or quality assurance firms to inspect your Studio; and/or (c) implement client satisfaction programs (including use of evaluation cards and surveys). These inspections and programs may address a variety of issues, including client service, sanitation, inventory rotation, etc. You must fully cooperate with all inspections. We may require that you directly pay any mystery shopper or firm we hire for the cost of the inspection. Alternatively, we may pay for the cost of the inspection and require you to reimburse us. We may implement a scoring system pursuant to which each Studio receives a "grade" or "score" based on inspection or survey results. Failure to achieve a passing grade or score constitutes a default under this Agreement. You must implement all corrective measures we require, in the time we specify, to rectify any noncompliance issues revealed by an inspection or survey.

11.15. Failure to Comply with Standards. You acknowledge the importance of every one of our standards and operating procedures to the reputation and integrity of the System and goodwill associated with the Marks. If we notify you of a breach of our standards or operating procedures (including failure to submit required reports in a timely manner) and you fail to cure within the time period we prescribe, we may (in addition to our other remedies under this Agreement) impose a noncompliance fee of $500 per occurrence. We may impose a separate $500 fee every 48 hours the same noncompliance issue remains uncured after we impose the initial fee. We deposit noncompliance fees into the Brand Fund (unless we do not administer a Brand Fund at the time we impose the fee). Noncompliance fees are paid in consideration of us refraining from exercising our contractual right to terminate this Agreement. If you fail to cure a breach before the expiration of the cure period (if any) and we take steps to cure the breach (for example, obtaining required insurance coverage on your behalf or paying amounts you owe to system suppliers), then you must reimburse all costs and expenses we directly or indirectly incur in connection with our efforts to cure the default. Your payment of noncompliance fees and default expense reimbursements does not preclude us from terminating this Agreement in accordance with §20.2 if the default continues after we collect these amounts.

12. FRANCHISE ADVISORY COUNCIL. We may, but need not, create a franchise advisory council (FAC) to provide us with suggestions to improve the System, including matters such as marketing, operations and new product or service suggestions. We consider all suggestions in good faith but are not bound by them. The FAC would be established and operated according to rules and regulations we periodically prescribe or approve, including procedures governing the selection of FAC representatives to communicate with us on matters raised by the FAC. You are eligible to be appointed as an FAC member as long as you comply with this Agreement and do not act in a disruptive or abusive manner. As a member, you would be entitled to all voting rights and privileges granted to other FAC members. Each member would have one vote on all matters on which members are authorized to vote.

13. FEES

13.1. **Initial Franchise Fee**. You agree to pay us an initial franchise fee in one lump sum at the time you sign this Agreement. The amount of your initial franchise fee is listed in Part B of ATTACHMENT "A". The initial franchise fee is fully earned by us and nonrefundable once this Agreement is signed.

13.2. **Royalty Fee**. On the day we designate from time to time (the "royalty fee due date"), you must pay us a royalty fee equal to the greater of: (a) 6% of Gross Sales generated by the Studio during the immediately preceding reporting period; or (b) $1,000 (or the equivalent to $1,000 per month if we change from a monthly to non-monthly reporting period); *provided, however*, that the royalty fee is waived for the period of time beginning with the Opening Date and ending the last day of the month in which the Opening Date occurs. The current reporting period runs from the opening of business on the first (1st) day of each month through the close of business on the last day of such month, and the current royalty fee due date is the seventh (7th) day after the end of the reporting period. We may periodically change the reporting period and royalty fee due date through updates to the Manual.

13.3. **Other Fees and Payments**. You must pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as if fully set forth in §13. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based on goods or services you sell or goods or services we furnish to you, excluding income taxes imposed on us based on fees you pay us under this Agreement.

13.4. **Due Date & Late Fee**. Payments are due 10 days after invoicing unless otherwise specified. If any sum due under this Agreement is not received by us when due or there are insufficient funds in your Account to cover the sum when due, then in addition to this sum you must pay us $100 plus default interest on the amount past due at a rate equal to the lesser of 18% per annum (pro-rated on a daily basis) or the highest rate permitted by applicable Law. We will not impose a late fee for any amount paid pursuant to §13.5 if, but only to the extent that, sufficient funds were available in your Account to be applied towards the payment when due; *provided, however*, that if we are unable to determine the amount because you fail to record sales or submit Gross Sales reports in a timely manner, we may assess a late fee on the entire amount that was due. This §13.4 does not constitute our agreement to accept late payments or extend credit to you. Fees are nonrefundable unless otherwise noted.

13.5. **Method of Payment**. No later than 15 days after the Effective Date, you must complete and send us a signed ACH Agreement authorizing us to electronically debit your designated Account for all amounts owed to us and our affiliates on the applicable due date, excluding amounts due less than 15 days after the Effective Date. You must sign all other documents required by us or your bank to enable us to debit your Account for amounts owed. You must deposit all Gross Sales into the Account and ensure sufficient funds are available for withdrawal before each payment due date. If there are insufficient funds in your Account, any excess amounts you owe will be payable upon demand together with any late fee imposed pursuant to §13.4. We may also impose a $50 NSF fee for each instance where either: (a) there are insufficient funds in your Account to cover amounts owed when due; or (b) a check you issue to us is returned due to insufficient funds.

13.6. **CPI Adjustments**. We may periodically adjust all fees (including minimum fees) expressed as a fixed dollar amount based on changes to the U.S. Consumer Price Index (CPI). We may periodically review and increase these fees based on CPI changes, but only if the then-current CPI ("Current CPI") is more than 5% higher than the corresponding CPI in effect on: (a) the Effective Date of this Agreement (for the initial fee adjustment); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments) ("Baseline CPI"). The adjusted fee is calculated by multiplying the current fee by the sum of one (1) plus a fraction: (a) the numerator of which is Current CPI minus Baseline CPI; and (b) the denominator of which is Baseline CPI. We may utilize any CPI index series published by the U.S. Department of Labor or any comparable Governmental Authority that we deem appropriate. We currently use the following index: All Urban Wage Earners and Clerical Workers (CPI-W), U.S. City Average (1982-84 = 100), "All Items". We will notify you of any CPI adjustment at least 60 days before it becomes effective. We may implement no more than one (1) fee

adjustment during any five (5) year period. If we decline to exercise our right to increase fees in a given five (5) year period despite a 5% or greater CPI increase, that potential fee increase will accumulate and may be carried forward and applied in connection with a subsequent fee adjustment.

13.7. **Security Interest**. In order to secure payment of all amounts owed under the Definitive Agreements, you hereby grant us a first priority, unsubordinated security interest in all of your furniture, fixtures, equipment, signage, inventory, accounts receivable and realty (including your interest under all real property and personal property leases) associated with your Studio, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with your Studio (collectively, the "Collateral"). You agree to execute all documents necessary to document, perfect and record our security interest in the Collateral, including Uniform Commercial Code (UCC) financing statements used in the jurisdiction in which your Studio is located. If you default under this Agreement we may, in addition to our other rights and remedies under this Agreement, exercise all rights of a secured creditor granted by Law. This Agreement constitutes a Security Agreement. You hereby irrevocably authorize us at any time and from time to time to file in any filing office in any UCC jurisdiction any initial financing statements and amendments thereto that: (a) indicate the Collateral (i) as all your assets or words of similar effect, regardless of whether any particular asset comprising part of the Collateral falls within the scope of the UCC of such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail; and (b) provide any other information required by the UCC applicable in your jurisdiction, for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether you are an organization, the type of organization and any organizational identification number issued to you, and (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of real property to which the Collateral relates. If a third-party lender requests that we subordinate our security interest in any assets of your Studio as a condition to lending you funds or working capital for the development or operation of your Studio, we will agree to do so in accordance with our then-current subordination policies.

13.8. **Prepaid Liabilities.** You must, at your sole cost, obtain before opening and continuously maintain throughout the Term and any Renewal Term a surety bond or other form of financial assurance in the form, amount and substance satisfactory to us. The bond or other financial assurance must be issued by a surety, carrier, financial institution or other source that we designate, approve or later change in our reasonable discretion. The principal amount of the bond or other financial assurance must be not less than Fifty Thousand Dollars ($50,000) per Studio and may be increased by us from time to time to an amount equal to or greater than the total amount of Prepaid Liabilities carried by your Studio or such greater amount as we reasonably determine is necessary to protect clients, the System, us, our affiliates, and any approved transferee. The bond or other financial assurance must name as obligee(s) us and/or such other persons or entities as we designate, remain continuously in effect, and otherwise comply with all requirements we specify. We may require you at any time, and from time to time, to replace, supplement, renew, increase or modify the bond or other financial assurance. We may also require you to deliver proof of issuance, renewal, continuation, amendment, claims history, and such other information as we request. Failure to obtain or maintain the required bond or other financial assurance, or any lapse, cancellation, nonrenewal, material modification or impairment thereof without our prior approval, constitutes an immediate material default under this Agreement. In addition to our other remedies, we may require you to cease selling or accepting payment for gift cards, Packages, memberships, Strength Plus plans or other prepaid items unless and until the default is cured. The existence of any bond or other financial assurance does not limit your or your Owners' liability for Prepaid Liabilities or any other obligations under this Agreement.

14. BRAND PROTECTION COVENANTS.

14.1. **Reason for Covenants**. The Intellectual Property, training and assistance we provide would not be acquired except through implementation of this Agreement. You agree that competition by you, the Owners or Persons associated with you or the Owners (including family members) could seriously jeopardize our franchise system because you and the Owners received an advantage through knowledge of our day-to-day operations and Know-how. You and the Owners agree to comply with

the covenants in §14 to protect the Intellectual Property and our franchise system.

14.2. **Intellectual Property and Confidential Information**. You and the Owners agree to: (a) refrain from using any Intellectual Property or Confidential Information in any business or for any purpose other than the operation of your Studio pursuant to this Agreement; (b) maintain the confidentiality of our Confidential Information at all times; (c) refrain from making unauthorized copies of documents containing Confidential Information; (d) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (e) stop using the Intellectual Property and Confidential Information immediately upon the expiration, termination or Transfer of this Agreement (any Owner who ceases to be an Owner before the expiration, termination or Transfer of this Agreement must stop using the Intellectual Property and Confidential Information immediately at the time he or she ceases to be an Owner).

14.3. **Unfair Competition**. You and the Owners may not engage in any Prohibited Activities during the Term or Post-Term Restricted Period. Notwithstanding the foregoing, you and the Owners may have an interest in a Competing Business during the Post-Term Restricted Period as long as the Competing Business is not located (and does not provide competitive goods or services to clients located) within the Restricted Territory. If you or an Owner engages in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a Competing Business permitted by this Section), then the Post-Term Restricted Period applicable to you or the non-compliant Owner, as applicable, shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity. For purposes of clarity, you and the Owners remain bound by any non-competition covenants in other Definitive Agreements that remain in effect for a period of time that extends beyond the expiration of the Post-Term Restricted Period under this Agreement, and the expiration of the Post-Term Restricted Period under this Agreement does not in any way diminish your or the Owners' obligation to comply with such covenants.

14.4. **Family Members**. Because (a) an Owner could circumvent the intent of §14 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild) and (b) it would be difficult for us to prove whether the Owner disclosed Confidential Information to the family member, each Owner agrees that he or she will be presumed to have violated the terms of §14 if any member of his or her immediate family engages in any Prohibited Activities during the Term or Post-Term Restricted Period or uses or discloses Confidential Information. However, the Owner may rebut this presumption with evidence conclusively showing he or she did not disclose Confidential Information to the family member.

14.5. **Employees**. All employees, officers, directors, independent contractors and other Persons associated with you or your Studio must sign and send us a Confidentiality Agreement before accessing our Confidential Information. You must: (a) use best efforts to ensure these individuals comply with the Confidentiality Agreements; (b) immediately notify us of any breach that comes to your attention; and (c) reimburse us for all expenses we incur to enforce a Confidentiality Agreement, including attorneys' fees and court costs.

14.6. **Covenants Reasonable**. You and the Owners agree that: (a) the covenants in §14 are reasonable both in duration and geographic scope; (b) our use and enforcement of similar covenants with other franchisees benefits you and the Owners by preventing them from unfairly competing with your Studio; and (c) you and the Owners have sufficient resources, business experience and opportunities to earn an adequate living while complying with the covenants in §14.

14.7. **Breach of Covenants**. You and the Owners agree that: (a) any breach of §14 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at Law; and (b) we are entitled to injunctive relief if you or an Owner breach §14, together with any other relief available at equity or Law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires us to post a bond despite our agreement to the contrary, the bond amount may not exceed $1,000. No remedy available to us under this Agreement is exclusive of any other, but may be combined with others under this Agreement, or at Law or in

equity, including injunctive relief, specific performance and recovery of monetary damages.

15. YOUR OTHER RESPONSIBILITIES

15.1. Insurance. For your protection and ours, you agree to maintain the following insurance policies:

(a) "all risk" property insurance coverage on all assets, including inventory, furniture, fixtures, equipment and other property used to operate the Studio, which must include coverage for fire, vandalism and malicious mischief and have coverage limits of at least full replacement cost;

(b) comprehensive general liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of your Studio, containing minimum liability protection of $2,000,000 combined single limit per occurrence and $4,000,000 in the aggregate (reduced to $1,000,000 combined single limit per occurrence and $2,000,000 in the aggregate if you purchase optional commercial umbrella insurance with minimum liability protection of $1,000,000 combined single limit per occurrence);

(c) professional liability insurance with minimum liability protection equal to or greater than the minimum liability protection required for your commercial general liability policy;

(d) automobile liability and property damage insurance covering all loss, liability, claim or expense of any kind whatsoever resulting from the use, operation, or maintenance of any automobiles or motor vehicles, owned, leased or used by you or your officers, directors, employees, partners or agents in the operation of your Studio, containing minimum liability protection of $1,000,000 combined single limit per occurrence;

(e) business interruption insurance providing coverage for 100% of all expenses and financial obligations for a minimum period of 12 months, including fees owed to us, which shall be deemed to include average monthly royalty fees and brand fund fees imposed during (i) the 12-month period preceding the event triggering coverage under the insurance policy or (ii) the entire period of operations, if less than 12 months;

(f) worker's compensation insurance and employer's liability insurance as required by Law;

(g) any insurance required under your lease or by Law; and

(h) any other insurance we specify in the Manual from time to time.

These policies reflect our minimum requirements and may not be adequate to fully protect your interests. You may wish to procure additional coverage. You must provide us with proof of coverage: (a) prior to the Opening Date; (b) within 10 days after a policy renewal; and (c) any other time on demand. You must obtain these policies from licensed insurance carriers rated A or better by AM Best or, if we so require, from an insurance carrier that we designate or approve. All polices must be occurrence-based and primary/non-contributory. Each policy must satisfy all requirements in the Manual and be endorsed to: (a) name us and our owners, officers and directors as additional insureds; (b) waive all subrogation rights against us; and (c) provide us with at least 30 days' prior written notice of the termination, expiration, cancellation or modification of the policy. We may disapprove any policy that fails to meet these criteria, and you must immediately secure a new policy meeting our criteria. Upon 10 days' notice, we may increase the minimum liability coverage amount of any policy and/or require different or additional types of insurance, including excess liability (umbrella) insurance, due to inflation, special risks, changes in Law or standards of liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain a required policy, we may, at our option, obtain the policy on your behalf. If we do so, you must promptly sign any application or other form required to obtain the policy and reimburse all premiums and other costs we incur.

15.2. Books and Records. You must prepare complete and accurate books, records, accounts and tax returns pertaining to your Business and keep copies for at least five (5) years after their preparation. We may require you to prepare your books and records in compliance with our bookkeeping and

accounting standards and policies in the Manual. You must maintain, and send to us upon request, a list of your clients. You must send us copies of your books and records within seven (7) days of our request. You must obtain and use QuickBooks Online subscription. We may require you to provide us with independent access to your QuickBooks Online account with permission to read all reports.

15.3. Reports.

(a) Generally. You must prepare all reports we require including, without limitation, the reports described below. Reports must be prepared in the form and manner we specify. You must send us a copy of any required report upon request. We may independently access your Technology Systems to retrieve and compile Business Data and generate any reports we deem appropriate, including Gross Sales reports.

(b) Report of Initial Investment Costs. To assist us in updating our Franchise Disclosure Document, you must complete and send us a report, in the form we designate, listing all expenses you incur in connection with the development and opening of your Studio. You must send us the completed report within 60 days after your Opening Date.

(c) Gross Sales Reports. No later than each royalty fee due date, you must prepare a statement of Gross Sales generated by your Studio during the prior reporting period. If you miscalculate Gross Sales, you must notify us of the error no later than the end of the next reporting period. Otherwise, you will not be entitled to a refund or credit of fees paid to us based on previously reported Gross Sales.

(d) Advertising Expenditure Reports. We reserve the right to require you to prepare and submit periodic reports of your advertising expenditures required by §10.3(b) and §10.3(c). All advertising expenditure reports must include copies of receipts for the reported expenditures.

15.4. Financial Statements. Within 90 days after the end of each calendar year, you must prepare and send us a balance sheet (as of the end of the calendar year) and profit and loss statement for the prior calendar year. Financial statements must be: (a) verified and signed by you certifying to us that the information is true, complete, and accurate; (b) prepared on an accrual basis in compliance with Generally Accepted Accounting Principles; and (c) submitted in any format we reasonably require. We may require that your financial statements be reviewed or audited by a certified public accountant if you submit materially inaccurate financial statements on a prior occasion. You must send us a copy of any financial statement required by this Section upon request. You hereby authorize us to disclose Operational Data to prospective franchisees, Governmental Authorities and other Persons for any reasonable business purpose, provided the disclosure is not prohibited by applicable Law.

15.5. Legal Compliance. You must secure, and maintain throughout the Term, all required Licenses and operate your Studio in compliance with all applicable Laws.

15.6. Reportable Events. You must notify us within two (2) business days after you become aware of any of the following (each, a "Reportable Event"): (a) the occurrence of an incident at your Studio involving significant personal injury; (b) the issuance of a citation or notice of violation by a Governmental Authority (or the commencement of an inquiry you believe is reasonably likely to lead to a citation or notice of violation) relating to a health or safety matter involving your Studio; (c) the commencement (or written threat) of an action, suit or proceeding against you, your Owners and/or your Studio that is reasonably likely to materially and adversely affect you, your Studio or the goodwill associated with the Marks; (d) a cancellation, termination or non-renewal of a required License; (e) the conviction or indictment of any Owner for a felony or other crime reasonably likely to materially and adversely affect you, your Studio or the goodwill associated with the Marks; or (f) receipt of a default notice from your landlord.

15.7. Ownership & Protection of Business Data & Client Relationships.

(a) Ownership & Use. We exclusively own all: (i) Business Data, whether collected by you, us or another Person; and (ii) client relationships and accounts. We license you the right to use the Business Data solely for purposes of operating your Studio in compliance with this Agreement.

(b) Protection. You must protect Customer Data with a level of control proportionate to the sensitivity of data. You must comply with all applicable privacy Laws, data protection Laws and our data processing and data privacy policies in the Manual (if any). Upon request, you must sign any data processing or data privacy agreement required by Law (or required by us). You may not enter Business Data into public/open AI models or any other AI model that uses such information to train the AI without our prior approval.

(c) PCI-DSS. You agree to: (i) adhere to all applicable compliance standards established by PCI-DSS; (ii) establish appropriate administrative, technical and physical controls consistent with Law and PCI-DSS to preserve the security and confidentiality of all credit card information (in any form) you store, process, transmit or access; (iii) promptly notify us of any suspected or actual security breach or potential compromise of credit card information; (iv) send us updates regarding the status of PCI-DSS via completed PCI AOC (Attestation of Compliance), PCI-DSS SAQ (Self-Assessment Questionnaire) or other mutually-agreed method; and (v) promptly notify us of any PCI-DSS noncompliance to discuss your remediation efforts and timeline.

(d) Data Breach. In the event of a data breach, we reserve the right to exclusively control the response, but we have no liability to you for any damages arising from the data breach. You must cooperate with us and follow our instructions relating to the data breach.

16. INSPECTION AND AUDIT

16.1. Inspections. For quality control purposes and to ensure compliance with this Agreement, we (or our representative) may enter your Studio, evaluate your operations and inspect your books, records, accounts and tax returns. We will determine the scope of the inspection, which may include, among other things:

(a) evaluating the condition of your Studio for cleanliness, sanitation and state of repair;

(b) examining and copying your books, records, accounts and tax returns;

(c) auditing your use of AI Technology and related data handling practices;

(d) inspecting and testing your equipment;

(e) watching or participating in exercise or personal training sessions conducted at your Studio;

(f) removing samples of inventory items for testing purposes;

(g) monitoring and speaking with your staff and clients; and

(h) contacting your landlord.

We may conduct inspections at any time without prior notice. We (or our representative) will use reasonable efforts to minimize any interference with the operation of your Studio. You and your employees must cooperate and not interfere with the inspection. You consent to us accessing your Technology Systems to retrieve Business Data. You must reimburse all Travel Expenses and other costs we incur to conduct an inspection to verify whether you remedied: (a) a health or safety issue identified by a Governmental Authority; or (b) a breach of system standards we bring to your attention. We bear the cost of all other inspections.

16.2. Audit. We may audit your books and records at any time. You must fully cooperate with us and any Person we hire to conduct the audit. If an audit reveals an understatement of Gross Sales, you must immediately pay us all additional fees you owe together with any late fee imposed pursuant to §13.4. You must reimburse us for the cost of any audit (including reasonable accounting and attorneys' fees and Travel Expenses incurred by us or the auditor) that: (a) is required due to your failure to provide

information we request, preserve records or file reports as required by this Agreement; or (b) reveals an understatement of Gross Sales by at least 3%. We bear the cost of all other audits. Your reimbursement of our audit costs does not preclude us from terminating this Agreement.

17. INTELLECTUAL PROPERTY

17.1. **Ownership and Use**. You acknowledge that: (a) we are (or our affiliate is) the exclusive owner of the Intellectual Property and the associated goodwill; and (b) your right to use the Intellectual Property is derived solely from this Agreement and is limited to a license to operate your Studio during the Term pursuant to, and only in compliance with, this Agreement and the Manual. You may not use the Intellectual Property in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You must comply with all provisions in the Manual governing use of the Intellectual Property. You will not acquire any goodwill, title or interest in or to the Intellectual Property.

17.2. **Intellectual Property Changes**. We may change the Intellectual Property at any time in our sole discretion, including the Copyrighted Materials, Know-how, Marks and/or System. You must implement all Intellectual Property changes we require in accordance with our instructions. If we require you to discontinue use of our primary Mark, THE EXERCISE COACH®, we will reimburse you for out-of-pocket expenses you reasonably incur to change your primary signage. Other than the foregoing limited reimbursement obligation, we have no liability to you for any expenses, losses or damages you incur (including loss of goodwill associated with a Mark) due to a change to the Intellectual Property.

17.3. **Use of Marks**. You agree to: (a) use the Marks as the sole identification of your Studio; *provided, however*, that you must identify yourself as the independent owner of your Studio in the manner we prescribe; (b) prominently display the Marks in the manner we prescribe on or in connection with any advertising, promotional materials, displays, receipts, stationery and forms we designate to give notice of trademark and service mark registrations and copyrights; and (c) obtain any fictitious or assumed name registrations required by applicable Law. You may not: (a) use the Marks in any modified form or as part of a corporate or trade name or with any prefix, suffix, or other modifying words, designs or symbols (other than logos we license to you); (b) use the Marks when signing a contract, lease, check or other agreement or in any other manner that may cause confusion or imply we are liable for your obligations; (c) register or attempt to register a Mark, or a trademark confusingly similar to a Mark, with a Governmental Authority; or (d) challenge or contest the validity or ownership of our Marks.

17.4. **Use of Know-how**. We disclose our proprietary Know-how to you during training programs, in the Manual and through other guidance furnished during the Term. You do not acquire any interest in the Know-how other than the right to utilize it, during the Term, solely for purposes of developing and operating your Studio in compliance with this Agreement and the Manual.

17.5. **Improvements**. If you (or your Owner or employee) conceive of or develop an Improvement, you must send us a notice describing the Improvement. You must obtain our approval prior to using the Improvement. Any Improvement we approve may be used by us and any Person we authorize to operate a Studio, without any obligation to pay royalties or other fees to you or any other Person. You or your Owner or employee, as applicable, must assign ownership of the Improvement to us or our designee, without charge, together with all associated intellectual property rights, including the right to grant sublicenses. If applicable Law precludes you from assigning ownership to us, then you must grant us a perpetual royalty-free license to use, commercialize and sublicense the Improvement in any manner we deem appropriate.

17.6. **IP Disputes**. You must immediately notify us of any IP Dispute. You may not communicate with any Person other than us and our counsel in connection with the IP Dispute. We have sole discretion in deciding what action, if any, to take in response to an IP Dispute. We exclusively control all litigation and other proceedings relating to IP Disputes. You must execute all documents, render all

assistance, and perform all acts that our counsel deems necessary or advisable to protect or maintain our interest in the proceeding and/or protect the Intellectual Property.

17.7. **Photo Release**. You and your Owners hereby grant us permission to: (a) take pictures, audios and/or videos of your Studio, your Studio operations and your Owners and employees ("Recordings"); and (b) use, display and/or publish these Recordings in any manner we deem appropriate in our sole discretion. You must obtain all required written consents from your Owners and employees to accomplish the foregoing. Furthermore, you and your Owners and employees shall grant us a perpetual, royalty-free, worldwide license to any pictures, audios, videos and/or marketing materials that: (a) include or otherwise reference your Studio or our Marks; and (b) you or any of your Owners or employees produce, purchase, commission or pay for as works made for hire. We have no obligation to pay any consideration to you, or to any of your Owners or employees, for any of the rights or licenses to Recordings or for any rights otherwise granted to us by this Section.

18. INDEMNITY. You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses they incur as a result of or in connection with:

(a) the marketing, use or operation of your Studio;

(b) the breach of a Definitive Agreement committed by you or your Owners or affiliates;

(c) the breach of an agreement with a third party committed by you or your Owners or affiliates;

(d) any representations made by you or your Owners to a transferee in connection with a Transfer;

(e) any Claim relating to taxes or penalties a Governmental Authority assesses against us as a direct result of your failure to pay or perform functions required of you under this Agreement;

(f) the knowing or reckless making, publishing, transmitting, repeating or causing to be made, published, transmitted or repeated, by you or any of your Owners, officers, employees or independent contractors, of any false, misleading, defamatory, libelous or slanderous statement of material fact concerning us, any affiliate, the System, any Studio, or any Indemnified Party, including statements communicated to other franchisees, prospective franchisees, clients, vendors, landlords, media representatives, or through social media, online forums, group communications or other channels (this provision does not apply to disclosure of truthful information to Governmental Authorities);

(g) any labor, employment or similar type of Claim pertaining to your employees (including Claims alleging we are a joint employer of your employees) or our relationship with you or your Owners (including Claims alleging we are an employer of you and/or any of your Owners); or

(h) any actions, investigations, rulings or proceedings conducted by any Governmental Authority (including the United States Department of Labor, Equal Employment Opportunity Commission or National Labor Relations Board) relating to your employees.

You and your Owners must immediately notify us of any Claim or proceeding described above. The Indemnified Parties have the right, in their sole discretion, to: (a) retain counsel of their choosing to represent them with respect to the Claim; and (b) control the response thereto and the defense thereof, including the right to settle the Claim. You may participate in the defense at your expense. You must fully cooperate and assist the Indemnified Parties with the defense of the Claim and reimburse all costs and expenses they incur in defending the Claim including, without limitation, mediation, arbitration or court expenses, expert fees and Travel Expenses incurred by attorneys or expert witnesses to attend proceedings or hearings relating to the matter. Your indemnification obligations survive and continue in full force and effect after the Transfer, termination or expiration of this Agreement.

19. TRANSFERS

19.1. **By Us**. We have the unrestricted right to assign this Agreement to any Person without prior notice to you; *provided, however*, that we will remain liable for obligations we incur prior to the assignment date. We may also delegate any of our obligations under this Agreement.

19.2. **By You**. The rights and duties created by this Agreement are personal to you and the Owners. We are granting you franchise rights in reliance upon the character, skill, attitude, business ability and financial resources of you and your Owners. Because this Agreement is a personal services contract, neither you nor any Owner may engage in a Transfer (other than a Permitted Transfer) without our prior approval. Any Transfer (other than a Permitted Transfer) without our approval is void and constitutes a breach of this Agreement. No Transfer may occur prior to the Opening Date. We will not unreasonably withhold our approval of a Transfer if all of the following conditions are satisfied:

(a) we believe the proposed transferee has sufficient business experience, aptitude and financial resources to own and operate a Studio and meets our minimum criteria for franchisees;

(b) you and your affiliates and Owners are in full compliance with all Definitive Agreements;

(c) the transferee's owners successfully complete, or make arrangements to attend, the initial training program and the transferee pays us any applicable training fee;

(d) your landlord consents to the assignment of your lease to the transferee, or the transferee is diligently pursuing an approved substitute location within the Site Selection Area;

(e) the transferee and its owners obtain all required Licenses to own and operate the Studio;

(f) the transferee: (i) agrees to discharge and guarantee your obligations under this Agreement and other contracts relating to the Business (including client contracts and supplier contracts); and (ii) signs any agreement we require to confirm the foregoing;

(g) the transferee and its owners sign our then-current form of franchise agreement (unless we instruct you to assign this Agreement to the transferee) except that: (i) the Term and renewal term(s) shall be the Term and renewal term(s) remaining under this Agreement unless we specify otherwise; and (ii) the transferee need not pay a separate initial franchise fee;

(h) the transferee agrees to remodel the Studio and upgrade all furniture, fixtures and equipment to conform to our then-current standards and specifications (these changes must be completed within 12 months after the Transfer or such shorter period of time we specify);

(i) you or the transferee pay us a $15,000 transfer fee (if the transferee is an existing franchisee in our System, the transfer fee is reduced to $7,500 and covers all Studios you Transfer to such transferee at the same time) to defray expenses we incur related to the Transfer (in addition to the transfer fee, you must reimburse us for any commission we pay our broker if our broker finds the transferee);

(j) as of the closing date, you either: (i) pay the transferee an amount equal to the total amount of outstanding Prepaid Liabilities carried by your Studio; or (ii) transfer to the transferee, or otherwise maintain for the benefit of the transferee and the affected clients, the surety bond or other financial assurance required under §13.8, in each case on terms satisfactory to us; provided, however, that no such payment, transfer or continued maintenance releases you or your Owners from liability for any Prepaid Liabilities or other obligations arising before the closing date;

(k) you complete, sign and deliver to us, if we so request, an estoppel certificate in the form we prescribed relating to the proposed Transfer;

(l) you and your Owners sign a General Release;

(m) you agree to subordinate the transferee's financial obligations owed to you to the transferee's financial obligations owed to us pursuant to the franchise agreement (we may require you to enter into a written subordination agreement);

(n) we choose not to exercise our right of first refusal described in §19.5; and

(o) you or the transferring Owner, as applicable, and the transferee satisfy all other conditions we

reasonably require as a condition to approval of the Transfer.

Our consent to a Transfer shall not constitute a waiver of any Claims we have against the transferor or our right to demand the transferee comply with all terms of the franchise agreement.

19.3. **Permitted Transfers**. You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days' prior notice; (b) upon our request, cause the former Franchisee Entity to sign a corporate guarantee in the format we require to secure performance of the new Franchisee Entity's financial obligations under all Definitive Agreements (if the Permitted Transfer results in a new Franchisee Entity); and (c) any new Owner (and their spouse) must sign an Owner Agreement. You and the Owners (and transferee) must sign all documents we reasonably request to effectuate and document the Permitted Transfer.

19.4. **Owner Death or Disability**. Within 180 days after an Owner's death or permanent disability, the Owner's Equity Interest in the Business or Franchisee Entity must be Transferred to another Person in compliance with §19.2 or §19.3. An Owner is deemed to have a "permanent disability" only if he/she has a medical or mental problem preventing him/her from substantially complying with his/her obligations under this Agreement or operating the Business in the manner required by this Agreement and the Manual for a continuous period of at least three (3) months.

19.5. **Our Right of First Refusal**. If you or an Owner wish to engage in a Transfer, you or the Owner, as applicable, must obtain and send us a bona-fide offer executed by the purchaser after completion of due diligence. We have 30 days after receiving the offer to decide whether to purchase the interest for the same price and upon the same terms contained in the offer, except we may substitute cash for any non-cash form of payment proposed in the offer. If we notify you within the 30-day period that we intend to purchase the interest, you or the Owner, as applicable, must sell the interest to us. We will have an additional 60 days to prepare for closing. You or the Owner, as applicable, must provide us with all customary representations and warranties regarding the title to and condition of the assets or Equity Interest that we purchase, or at our option, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to the terms of the offer, subject to the requirements of §19.2, including our approval of the transferee. If the sale is not completed within 120 days after we receive the offer, or there is a material change to the terms of sale, we will again have the right of first refusal specified in this Section. Our right of first refusal shall not apply to a Permitted Transfer.

20. TERMINATION

20.1. **By You**. You may terminate this Agreement if we fail to cure a material breach within 90 days after you send us a default notice specifying the nature of the breach. If you terminate pursuant to §20.1, you must still comply with your post-term obligations described in §21 (other than payment of liquidated damages) and all other obligations that survive the termination of this Agreement.

20.2. **By Us**. We may terminate this Agreement, effective upon delivery of a notice of termination, for any of the following reasons, all of which constitute material events of default and "good cause" for termination, and without opportunity to cure except for any cure period expressly set forth below:

(a) if you are insolvent due to your inability to pay your debts as they become due;

(b) if you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any Law, or you are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978);

(c) if your Studio, or substantially all of its assets, are seized by a government official or taken over or foreclosed upon by a creditor, lienholder or lessor;

(d) if a final judgment against you remains unsatisfied for 30 days unless a supersedes or other appeal bond has been filed;

(e) if a levy of execution has been made upon the license granted by this Agreement or any property used in your Business and is not discharged within five (5) days of the levy;

(f) if the Managing Owner fails to satisfactorily complete initial training as required by §5.1;

(g) if you fail to identify an approved site, secure a fully executed lease and Lease Addendum or open your Studio before the associated deadlines set forth in §7.1, §7.2 or §7.4, respectively;

(h) if you abandon or fail to operate your Studio for three (3) consecutive business days unless due to Force Majeure (in which case §24.6 governs) or another reason we approve;

(i) if a Governmental Authority suspends or revokes a License required to lawfully operate the Studio unless the suspension/revocation is overturned within 20 days thereafter;

(j) if you operate the Studio in a manner that presents a health or safety hazard to your clients, employees or the public and fail to cure within 24 hours after notice from us;

(k) if you underreport Gross Sales by at least 3% on two (2) or more occasions;

(l) if you fail to pay any amount owed to us, our affiliate or an approved or designated supplier within 10 days after demand for payment (subject to your right to dispute, in good faith, amounts owed to third-party suppliers in accordance with §11.6(d));

(m) if you fail to promptly notify us of a Reportable Event in accordance with §15.6;

(n) if you refuse to allow us (or our representative) to inspect your Studio;

(o) if you (or an Owner) (i) are subject to a material administrative disciplinary action or (ii) plead no contest to, or are convicted of, a felony or other material crime;

(p) if you (or an Owner) fail to comply with a material Law applicable to your Studio;

(q) if you (or an Owner) commit an act that can reasonably be expected to materially and adversely affect the reputation of the System or goodwill associated with the Marks;

(r) if you (or an Owner) make a material misrepresentation to us at any time;

(s) if you (or an Owner) make an unauthorized Transfer;

(t) if you (or an Owner) use the Intellectual Property in an unauthorized manner;

(u) if you (or an Owner) breach a brand protection covenant in §14 or representation in §23.3;

(v) if an Owner (or their spouse) breaches an Owner Agreement;

(w) if the lease for your premises is terminated due to your default;

(x) if we send you three (3) or more default notices within a 12-month period (even if cured);

(y) if we (or our affiliate) terminate any Definitive Agreement, other than an area development agreement, due to a default committed by you (or your affiliate or an Owner); or

(z) if you (or an Owner) breach any other provision of this Agreement, including any mandatory provision in the Manual, and fail to cure within 30 days after receipt of a default notice.

If we send you a default notice we may cease to perform our obligations under this Agreement until you cure the breach, unless our failure to perform would materially impair your ability to cure.

20.3. **By Mutual Agreement**. If you and we mutually agree in writing to terminate this Agreement, any notice or cure period that might otherwise apply shall be deemed waived.

21. POST-TERM OBLIGATIONS.

21.1. Obligations of You and the Owners. After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

(a) immediately cease use of the Intellectual Property (including any proprietary software);

(b) comply with all post-term covenants described in §14 or an Owner Agreement;

(c) cancel all fictitious or assumed name registrations relating to your use of the Marks;

(d) pay us (or the transferee if you are completing a Transfer) an amount equal to your Studio's total outstanding Prepaid Liabilities, measured as of the effective date of the termination, expiration or Transfer of this Agreement for unredeemed (or partially redeemed) gift cards, gift certificates, Packages, memberships and other prepaid items purchased by clients from your Studio (this clause does not apply to the extent we collect proceeds from these sales transactions at the time of sale);

(e) pay us us all other amounts you owe including, if applicable, liquidated damages under §21.3;

(f) provide us with a list of your current, former and prospective clients;

(g) comply with our data retention policies pertaining to Business Data;

(h) if we so request, assign all client contracts and client accounts to us or our designee;

(i) if we so request, sell all EXERBOTICS® Equipment that we designate to Gymbot, us or our designee for a purchase price determined as the depreciated value of the equipment calculated on the straight-line method over a 10-year useful life (we may deduct the purchase price from any liquidated damages you owe us);

(j) comply with our instructions to return, destroy or transfer all copies of the Manual and Copyrighted Materials and all signs, brochures, advertising and promotional materials, forms and other materials bearing the Marks or containing Confidential Information;

(k) alter the interior and exterior of the premises to the extent necessary, or to the extent we require, to prevent any further resemblance to or connection with a Studio or our System, including repainting the exterior and interior with new colors and removing trade dress, fixtures, signage, window decals and décor items associated with a Studio;

(l) notify all telephone, listing and domain name registration companies of the termination or expiration of your right to use: (i) any telephone numbers and/or domain names associated with your Studio; and (ii) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the foregoing companies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct these companies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and

(m) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

Subsections (h), (j), (k) and (l) above shall not apply if you Transfer your Studio to an approved transferee or we exercise our right to purchase your Studio. If an Owner transfers his or her entire Equity Interest in the Business or Franchisee Entity but you continue to operate the Studio pursuant to this Agreement, then this Section shall not apply to you (or to any remaining Owner) and the former Owner shall be subject only to the obligations set forth in subsections (a) and (b) above.

21.2. Purchase Option.

(a) Generally. Upon termination or expiration of this Agreement we have the option to purchase your Studio and/or its assets. If we exercise our purchase option, we will notify you of the assets we wish to purchase (the "Acquired Assets") within 20 days after the termination or expiration date. If we exercise our purchase option we may require that: (i) you assign your lease to us at no additional charge (if you lease the premises); or (ii) you or your affiliate enter into a lease with us upon standard and commercially reasonable leasing terms, including rent at fair rental value, for a term of 10 years or such shorter term that we specify (if you or your affiliate own the real estate). You authorize us to contact any Person that financed your purchase of exercise equipment to discuss the potential assumption or transfer of the financing arrangement (and the financed equipment) to us or our designee. The purchase price for the Acquired Assets will be: (i) the purchase price established by the parties (if mutually agreed upon); or (ii) the Appraised Value established in accordance with §21.2(b) below; *provided, however*, that the purchase price for EXERBOTICS® Equipment shall be determined in accordance with §21.1(i). We may, at our option, assign our purchase option to a designee of our choosing.

(b) Appraisal Process. If the parties cannot agree on the purchase price, the purchase price shall be the Appraised Value established in accordance with this Section. "Appraised Value" means the fair market value of the Acquired Assets as of the date this Agreement terminates or expires, as applicable; *provided, however*, that fair market value shall not include any value for goodwill and/or the franchise rights granted by this Agreement. The parties shall attempt to mutually agree upon a single independent appraiser. If they fail to do so, either party may demand the appointment of three (3) appraisers in accordance with the following: (i) no later than 15 days after the demand, each party shall appoint one (1) appraiser and notify the other party of the appointed appraiser's name and contact information; and (ii) no later than 30 days after the demand, the two (2) appraisers appointed by the parties will jointly appoint a third (3rd) appraiser. If either party fails to appoint an appraiser within the 15-day period, then the appraiser appointed by the other party shall be deemed the single appraiser approved by the parties. You must promptly provide any documents or information requested by the appraisers. If a single appraiser is appointed, the purchase price shall be the Appraised Value established by the appraiser. If three (3) appraisers are appointed, the purchase price shall be: (i) the Appraised Value agreed upon by at least two (2) of the appraisers; or (ii) the average of the two (2) Appraised Values that are closest to each other if none of the appraisers agree upon the Appraised Value. Each party shall promptly pay 50% of the cost of the appraisal.

(c) Closing. The parties shall memorialize the acquisition by signing the form of Asset Purchase Agreement (APA) we prescribe, which will include customary representations and warranties regarding title to and the condition of the Acquired Assets. At closing you must transfer good and clean title to the Acquired Assets, subject to any exceptions set forth in the APA, and we must pay you the purchase price. We may deduct from the purchase price: (i) any amounts you owe us or our affiliates under any Definitive Agreements including, if applicable, liquidated damages and other damages owed (other than lost profits) as a result of our termination of this Agreement due to your breach; and (ii) the amount of any liabilities we assume on your behalf, including future rent and Prepaid Liabilities. We will have at least 60 days after the purchase price of the Acquired Assets has been established to close the transaction.

21.3. Liquidated Damages. You must pay us liquidated damages if either: (a) we terminate this Agreement due to your default; or (b) you terminate this Agreement in any manner other than as permitted by §20.1 or §20.3. If the termination occurs with more than five (5) years left under the Term, then the amount of liquidated damages is $75,000. If the termination occurs with less than five (5) years left under the Term, then liquidated damages are calculated as the product of Average Monthly Fees multiplied by the lesser of (a) 24 or (b) the total number of full months remaining under the Term as of the termination effective date. "Average Monthly Fees" means the combined average monthly royalty fee and brand fund fee (without regard to any fee waivers or other reductions, and regardless of collection) imposed by this Agreement during the 12-month period

preceding the termination date (or during the period of time you operated the Business if less than 12 months). Liquidated damages are due 30 days after we send you an invoice detailing our calculation of same. If we or Gymbot elect to repurchase your EXERBOTICS® Equipment in accordance with §21.1(i), we may deduct the purchase price from the amount of liquidated damages owed. Liquidated damages are in addition to and not in lieu of: (a) any fees or other amounts incurred by you prior to the termination of this Agreement, all of which must be paid by you in accordance with the terms of this Agreement; or (b) any damages we or our affiliate incur as a result of your breach of this Agreement; *provided, however*, that we may not pursue a Claim against you for recovery of lost future profits if you pay us all liquidated damages owed when due. The parties agree the amount of liquidated damages set forth in this Section is in proportion to, and is necessary to protect, our legitimate interests, including: (a) encouraging our franchisees to commit to the 10-year franchise relationship in which both parties have already invested time and expense to develop; (b) the time and expense we will incur to ensure your timely and orderly departure from our franchise network and recruit a new franchisee to acquire franchise rights to the Territory; (c) protecting the reputation and goodwill associated with our Marks; and (d) partially compensating us for financial damages we expect to incur as a result of your breach or wrongful termination. If this liquidated damages clause is unenforceable under applicable Law, then we are only entitled to recover actual damages we incur as a result of your default or improper termination.

22. DISPUTE RESOLUTION.

22.1. **Negotiation and Mediation**. Except as otherwise provided below with respect to Excluded Claims, the parties shall attempt in good faith to resolve any Dispute through informal discussions and negotiations. If these efforts are unsuccessful, either party may submit the Dispute to mediation before a mediator that we choose prior to litigation. All negotiations and mediation proceedings (including all discovery conducted therein and statements and settlement offers made by either party or the mediator in connection with the mediation): (a) shall be strictly confidential; (b) shall constitute "settlement negotiations" for purposes of federal and state rules of evidence; and (c) shall not be admissible or otherwise used for any purpose in any court or arbitration proceeding (except evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in mediation). The mediator may not be called as a witness for any purpose in any court proceeding. Any Dispute involving Claims alleging a breach of §14, §17 and/or §21 (referred to as "Excluded Claims") is not subject to mandatory negotiation or mediation unless both parties agree otherwise.

22.2. **Litigation**. If a Dispute either (a) is not successfully resolved by mediation within 60 days after a party makes a demand for mediation or (b) involves an Excluded Claim, then either party may file a lawsuit in any state or federal court of general jurisdiction in accordance with the choice of venue provision below. The parties hereby express their clear and unequivocal intent that a court, rather than a mediator, has exclusive jurisdiction to decide the threshold issue of whether a Dispute involves an Excluded Claim (i.e., whether any Claim alleges a breach of §14, §17 or §21).

22.3. **Venue**. All mediation and litigation shall take place in Montgomery County, Texas. The parties irrevocably waive any objection to such venue and consent to the jurisdiction of such courts.

22.4. **Attorneys' Fees and Costs**. If a Dispute is resolved through a judicial proceeding, the substantially prevailing party is entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees and court costs. In addition, if you or an Owner breach any term of a Definitive Agreement, you must reimburse us for all reasonable legal fees and other expenses we incur as a result of the breach, regardless of whether the breach is cured prior to commencement of formal dispute resolution proceedings.

22.5. **Waivers and Limitations**. UNLESS PROHIBITED BY APPLICABLE LAW, ANY CLAIM (OTHER THAN FOR PAYMENT OF MONIES OWED OR AN EXCLUDED CLAIM) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR MEDIATION WITHIN ONE (1) YEAR FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE

TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (a) TRIAL BY JURY; AND (b) THE RIGHT TO LITIGATE A DISPUTE ON A CLASS ACTION BASIS. IN ANY BREACH OF CONTRACT CLAIM YOU BRING AGAINST US, YOUR MONETARY DAMAGES SHALL IN NO EVENT EXCEED THE SUM OF THE INITIAL FRANCHISE FEE PLUS ALL ROYALTY FEES PAID BY YOU UNDER THIS AGREEMENT.

23. REPRESENTATIONS.

23.1. **Corporate Representations**. You and the Owners jointly and severally represent and warrant to us that the execution and delivery of this Agreement, and the performance of your obligations hereunder, does not: (a) conflict with, breach or constitute a default under any agreement to which you are (or any affiliate of yours is) a party or by which your (or your affiliate's) assets are bound; (b) violate any order, injunction, decree, judgment or ruling of a Governmental Authority; or (c) violate any applicable Law. If the franchisee is an Entity, you and the Owners also jointly and severally represent and warrant to us that: (a) the Franchisee Entity is duly organized, validly existing and in good standing under the Laws of the state of its formation and has the requisite power and authority to enter into this Agreement and perform its obligations hereunder; and (b) the execution and delivery of this Agreement have been duly authorized by all requisite corporate action and this Agreement constitutes the legal, valid and binding obligation of, and is enforceable against, the Franchisee Entity in accordance with its terms.

23.2. **General Representations**. You and the Owners jointly and severally represent and warrant to us that you and the Owners are aware that: (a) other franchisees may operate under different forms of agreement and our obligations and rights with respect to franchisees differs materially in certain circumstances; and (b) we may negotiate terms or offer concessions to other franchisees and we have no obligation to offer you the same or similar negotiated terms or concessions.

23.3. **Anti-Terrorism Compliance**. You and the Owners jointly and severally represent and warrant to us that, to the best of your and their knowledge: (a) no property or interest owned by you or any Owner is subject to being "blocked" under any Anti-Terrorism Law; (b) neither you nor any Owner, nor any of their respective funding sources (including any legal or beneficial owner of an Equity Interest in the Business or Franchisee Entity) or related parties is, or has ever been: (i) a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Law; or (ii) identified by name, alias, pseudonym, nickname or address on any Terrorist List, including the list of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.home.treasury.gov); and (c) you and the Owners are in compliance with, and shall continue to comply with, the Anti-Terrorism Law and all other U.S. Laws currently in effect, or enacted in the future, that prohibit corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person or government. The foregoing representations and warranties are 'continuing' representations and warranties for the duration of the franchise relationship. Accordingly, you must immediately notify us of the occurrence of any event or development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

24. GENERAL PROVISIONS

24.1. **Governing Law**. Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship are governed by the Laws of Texas without reference to its principles of conflicts of law, but any Texas Law that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

24.2. **Relationship of the Parties**. Nothing in this Agreement creates a fiduciary relationship between the parties or is intended to make either party a general or special agent, legal representative, joint venture, partner, employee or servant of the other for any purpose. Throughout the Term you must,

in all dealings with third parties, conspicuously identify yourself as a franchisee and the independent owner of your Studio. We may require that you display a written notice of independent ownership, in the form we prescribe, at any location within your Studio that we specify. You must also include a written indication of independent ownership on all agreements, forms, letterhead, advertising materials, business cards and other materials that we specify. Neither party may: (a) make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other; or (b) represent that our relationship is other than franchisor and franchisee. Neither party is obligated by any agreement or representation made by the other party unless expressly authorized by this Agreement.

24.3. **Severability**. Each section of this Agreement (and portion thereof) is severable. If applicable Law imposes mandatory terms that conflict with this Agreement, the terms required by such Law shall govern to the extent of the inconsistency. If a court concludes any promise or covenant in this Agreement is unreasonable or unenforceable, we or the court may modify such promise or covenant to the minimum extent necessary to make it enforceable.

24.4. **Waivers**. Each party may waive any obligation imposed on the other party in writing. Neither party is deemed to have waived or impaired any of its rights under this Agreement, including the right to require strict compliance with all terms of this Agreement or terminate this Agreement if the other party fails to comply with such terms, by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect by a party to exercise any right under this Agreement or require the other party to strictly comply with any term of this Agreement; (c) our waiver, failure or refusal to exercise any of our rights with respect to other franchisees; or (d) our acceptance of payment from you after your breach.

24.5. **Approvals**. Whenever this Agreement requires our approval, you must make a timely written request for approval. Our approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request.

24.6. **Force Majeure**. Neither party shall be liable for loss or damage or deemed in breach of this Agreement if such party's failure to perform its obligations results from an event of Force Majeure; *provided, however*, that an event of Force Majeure shall not excuse or permit any failure to perform for more than 180 days. If the period of non-performance exceeds 180 days from receipt of notice of the Force Majeure event, the party whose ability to perform has not been affected may immediately terminate this Agreement by giving notice of termination to the other party.

24.7. **Binding Effect**. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any Person not a party to this Agreement; *provided, however*, that the additional insureds listed in §15.1 and the Indemnified Parties are intended third-party beneficiaries under this Agreement with respect to §15.1 and §18, respectively.

24.8. **Integration**. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT, EXCEPT AS PERMITTED BY §11.1 AND §24.3, BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. In addition, our issuance of a Site Approval Notice shall be deemed to amend this Agreement to identify the approved site and Territory for your Studio, regardless of whether you countersign and/or return the Site Approval Notice. Any email or informal electronic communication shall not be deemed to modify this Agreement unless it is signed by both parties and expressly states it is intended to modify this Agreement. The attachments are part of this Agreement, which together with any Amendments or Addenda executed on or after the Effective Date, constitute the entire understanding and agreement of the parties. There are no other oral or written understandings or agreements between the parties about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manual are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement.

Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

24.9. Good Faith Covenant. If applicable Law implies into this Agreement a covenant of good faith and fair dealing, the covenant may not imply any right or obligation inconsistent with the express terms hereof. This Agreement, and the relationship of the parties inherent in this Agreement, grants us discretion to make decisions, take actions or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests. We will use our judgment to exercise this discretion based on our assessment of our own interests and balancing our interests against the interests of our franchisees, but without considering the individual interests of you or any other franchisee.

24.10. Rights of Parties are Cumulative. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by a party of any right or remedy under this Agreement precludes any other right or remedy available to such party under this Agreement or by Law.

24.11. Survival. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement, or the Transfer of an Equity Interest in the Business or Franchisee Entity, shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire, including, without limitation, §13, §14, §16, §18, §21, §22 and §24.

24.12. Construction. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more Persons, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

24.13. Time of Essence. Time is of the essence in this Agreement and every term thereof.

24.14. Notices. All notices and notifications given under this Agreement must be in writing and must be delivered by: (a) hand delivery; (b) registered or certified air mail, postage prepaid, return receipt requested; (c) special delivery service (*e.g.*, Federal Express, DHL, UPS, *etc.*); or (d) email, in each case to the following addresses (which may be changed upon 10 business days' prior notice):

YOU: As set forth in Part A of ATTACHMENT "A"

US: Exercise Coach USA, LLC
531 Telser Rd., Lake Zurich, Illinois 60084
Attention: Zulma Bianca
Email: zulma@exercisecoach.com
(with copies to: b.bundy@exercisecoach.com & m.essex@exercisecoach.com)

Notice is deemed given on the earliest to occur of: (i) the date delivered by hand; (ii) the third (3rd) business day after placed in the mail or provided to special delivery services in accordance with clause (b) or (c) above; or (iii) the first (1st) calendar day after sent by email.

24.15. Counterparts. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

* * *

The parties below have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

Exercise Coach USA, LLC, an Illinois limited liability company

By:_____
Name:_____
Title:_____

YOU (If you are an Entity):

_____,
a(n)_____

By:_____
Name:_____
Title:_____

YOU (If you are not an Entity):

_____
Name:_____

_____
Name: _____

_____
Name: _____

_____
Name: _____

ATTACHMENT "A"

TO FRANCHISE AGREEMENT

DEAL TERMS

A. Franchisee Details

Name of Franchisee: [_____]

Is the franchisee one or more natural Persons signing in their individual capacity? **Yes**: _____ **No**: _____

Type of Entity and State of Formation* (if applicable): [_____]

* *If the franchisee is a business Entity, each Person holding a direct or indirect Equity Interest in the Franchisee Entity, and spouse of each such Person who is a natural Person, must sign the Owner Agreement concurrently with the execution of this Agreement.*

The following table includes the full name of each Person holding a direct or indirect Equity Interest in the Business or Franchisee Entity, as applicable, along with a description of their Equity Interest.

Owner's Name	% Equity Interest	Direct or Indirect (if indirect, describe nature of interest)

Notice Address: _____
_____
_____
Attention: _____
Email: _____

B. Initial Franchise Fee

Your initial franchise fee is as follows (we will check the approximate box):

_____ $49,500 (standard)

_____ $44,550 (veteran's discount)

_____ $40,000 (2nd Studio developed under an ADA)

_____ $25,000 (3rd or 4th Studio developed under an ADA)

_____ $20,000 (5th or subsequent Studio developed under an ADA)

C. Site Selection Area

The Site Selection Area referenced in the Franchise Agreement consists of the following geographic area: [_____]; *provided, however*, that the Site Selection Area excludes, and shall not be deemed to include, any territory assigned to another Studio that: (a) is open and operating, under construction, or for which a site has been approved, in each case as of the Effective Date; and (b) is located (or will be located) in the geographic area described in this Part C.

* *The Site Selection Area is not your Territory. Except to the extent provided in §3.3 during the Site Selection Protection Period, there are no territorial protections associated with the Site Selection Area.*

D. Approved Site

We hereby approve the site listed below for your Studio.

Approved Address: [_____]

* *If the site for your Studio has not been approved by us at the time this Agreement is signed, we will send you a Site Approval Notice in accordance with §7.1 listing the address of your approved site.*

E. Territory

The Territory referenced in the Franchise Agreement consists of, and shall be limited to, the following geographic area (as may be further depicted on a map attached below or the following page):

[_____]

The number of qualified households in the Territory is: [_____]

If the boundaries that define the Territory change during the Term, the boundaries of your Territory will remain unaffected and will continue to be defined by the boundaries that were in effect as of the Effective Date (as may be depicted on a map attached below or on the following page).

* *If the site for your Studio has not been approved by us before this Agreement is signed, we will send you a Site Approval Notice in accordance with §3.1 to identify the geographic area that comprises your Territory.*

[Insert Map Below (if applicable)]

F. Equipment Package

EQUIPMENT PACKAGE		
ITEMS PURCHASED	**QUANTITY**	**ESTIMATED COST**
EXERBOTICS® Leg Press Machine	1	$16,000
EXERBOTICS® Combination Chest/Row Machine	1	$13,999
EXERBOTICS® Combination Shoulder Press/Pull-Down Machine	1	$13,999
EXERBOTICS® Nucleus Core/Back Extension Machine	1	$13,999
EXERBOTICS® 360 Trainer	1	$2,995
EXERBOTICS® Balance Tracker	1	$1,600*
EXERBOTICS® Cross Fire (optional)	0 or 1	$0 to $13,999
EXERBOTICS® Squat/Deadlift Machine (optional)	0 or 1	$0 to $17,500
EXERBOTICS® Leg Extension/Leg Curl Machine (optional)	0 or 1	$0 to $13,999
Nautilus (or equivalent) Abduction/Adduction Machine	1	$4,695
Tuff Stuff (or equivalent) Multi-Trainer Machine	1	$5,095
InBody 270 Body Composition Scale	1	$5,995
SciFit Pro 2 Recumbent Bikes w/ Arm Ergometry (or equivalent)	2	$10,888
EarthLite (or equivalent) Professional Hi-lo Stretch Tables	2	$3,658
Stretch Area Accessories**	various	$3,350
Estimated Shipping, Installation and Setup Costs		$10,267 to $14,318
Total Cost		$106,540 to $156,089

ATTACHMENT "B"

TO FRANCHISE AGREEMENT

FORM OF SITE APPROVAL NOTICE

[See Attached]

SITE APPROVAL NOTICE

Exercise Coach USA, LLC ("we" or "us") is issuing this Site Approval Notice (this "Notice") to _____ ("you"), effective _____, 202___, in connection with the The Exercise Coach Franchise Agreement (the "Franchise Agreement") that we executed with you on _____, 202___. The purpose of this Notice is to confirm our approval of the site you proposed for your Studio and our designation of the boundaries of your "Territory".

Approved Address:

Pursuant to §7.1 of the Franchise Agreement, we hereby approve the site listed below for your Studio:

_____
_____
_____

Territory:

Pursuant to §3.1 of the Franchise Agreement, we hereby designate the following geographic area as your Territory under the Franchise Agreement (as may be further depicted on the map attached on the following page):

[_____]

The number of qualified households in the Territory is: [_____]

If the boundaries that define the Territory change during the Term, the boundaries of your Territory will remain unaffected and will continue to be defined by the boundaries that were in effect as of the date hereof (as may be depicted on a map attached below or on the following page).

* * *

By signing below, you and we agree that: (a) the address identified in this Notice shall be deemed the approved site for your Studio established and operated pursuant to the Franchise Agreement; and (b) the geographic area described in this Notice under "Territory" shall be deemed your Territory under the Franchise Agreement. You acknowledge and agree that our acceptance of the site you proposed is in no way a representation by us that your site will be successful. Rather, our acceptance merely indicates the site meets our minimum standards and requirements.

We request that you sign below and send us an executed copy of this Notice to acknowledge your receipt. However, your failure or refusal to sign below will not invalidate or otherwise affect our designation of your approved site or Territory. Our designation of your approved site and Territory, as set forth in this Notice, shall be binding on you effective as of the effective date listed in the first paragraph in this Notice.

Franchisor	**Franchisee**
Exercise Coach USA, LLC	_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

[Insert Territory Map Below]

ATTACHMENT "C"

TO FRANCHISE AGREEMENT

LEASE ADDENDUM

[See Attached]

LEASE ADDENDUM

This Lease Addendum (this "Agreement") is executed as of _____, 202__ by and among Exercise Coach USA, LLC, an Illinois limited liability company ("Franchisor"), [_____], a(n) [_____], with principal offices located at [_____] ("Landlord"), and [_____], a(n) [_____], with principal offices located at [_____] ("Tenant").

Background

A. On [_____], 202[__], Franchisor and Tenant executed a The Exercise Coach Franchise Agreement (the "Franchise Agreement"), pursuant to which Franchisor granted Tenant the right and obligation to develop, open and operate a THE EXERCISE COACH® studio at the premises described in Exhibit "A" (the "Premises").

B. Concurrently with the execution of this Agreement, Landlord and Tenant are executing a lease agreement (the "Lease"), pursuant to which Landlord will lease the Premises to Tenant.

C. To protect Franchisor's rights and interests under the Franchise Agreement, Landlord agrees to grant certain rights to Franchisor as set forth below.

Agreement

1. Default Notices. Landlord agrees to provide Franchisor with copies of all written default notices sent to Tenant at the same time such notices are sent to Tenant. Landlord agrees to send such copies to Franchisor by email and registered mail as set forth below (Franchisor may change the notice email and address from time to time by sending written notice to Landlord):

   Exercise Coach USA, LLC
   531 Telser Rd., Lake Zurich, Illinois 60084
   Attention: _____
   Email: _____

2. Right to Cure. If Tenant defaults under the Lease, Franchisor has the right (but not the duty) to cure such default within 15 days following the expiration of any applicable cure period. In such event, Franchisor may immediately commence occupancy of the Premises as the tenant under the Lease without obtaining Landlord's or Tenant's consent. If Franchisor thereafter assigns the Lease to another THE EXERCISE COACH® franchisee or to an entity owned and/or controlled by Franchisor, Landlord's written approval of the assignee shall not be required if the assignee qualifies as a Pre-Qualified Assignee under §4 below, and any acknowledgment requested from Landlord with respect to such assignment shall be ministerial only. Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

3. Right to Assign. At any time, including, without limitation, upon the expiration or termination of the Franchise Agreement, and without Landlord's prior consent, Tenant may assign the Lease to Franchisor. In such event, Franchisor may thereafter assign the Lease to another THE EXERCISE COACH® franchisee or to an entity owned and/or controlled by Franchisor. If Franchisor thereafter assigns the Lease to another THE EXERCISE COACH® franchisee or to an entity owned and/or controlled by Franchisor, Landlord's written approval of the assignee shall not be required if the assignee qualifies as a Pre-Qualified Assignee under §4 below, and any acknowledgment requested from Landlord with respect to such assignment shall be ministerial only. Landlord will acknowledge any such assignment in writing. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

4. Pre-Qualified Assignee. Notwithstanding anything to the contrary in this Agreement or the Lease, any assignment of the Lease to a Pre-Qualified Assignee shall be deemed automatically approved by Landlord without any further consent, approval, review or discretionary action by Landlord. A "Pre-Qualified Assignee" means any assignee that satisfies all of the following criteria:

   a. the assignee, or one or more of its controlling owners or principals approved by Franchisor, has

owned and successfully operated one or more THE EXERCISE COACH® studios for at least seven (7) consecutive years in substantial compliance with the applicable franchise agreement(s), and neither the assignee nor such controlling owner or principal is then in uncured default of any material monetary obligation owed to Franchisor or, to the actual knowledge of such assignee, to the landlord under the lease for the studio being assigned;

b. the assignee has a tangible net worth in excess of One Million Dollars ($1,000,000), as reflected on the assignee's most recently prepared financial statements, copies of which shall be made available to Landlord upon reasonable request, subject to reasonable confidentiality protections;

c. the assignee executes a commercially reasonable written assumption of Tenant's obligations under the Lease and is willing and financially capable of performing those obligations; and

d. the assignment is otherwise permitted by the Franchise Agreement and approved by Franchisor.

Tenant and/or Franchisor shall notify Landlord of any assignment to a Pre-Qualified Assignee within thirty (30) days after the closing of the assignment. Upon request, Tenant or Franchisor shall provide Landlord with reasonable evidence that the assignee satisfied the foregoing criteria. Within ten (10) business days after request, Landlord shall execute and deliver a commercially reasonable written acknowledgment of the assignment; provided, however, that Landlord's failure to execute such acknowledgment shall not impair, delay, condition or invalidate the assignment. No assignment to a Pre-Qualified Assignee shall be subject to any assignment fee, transfer fee, consent fee, recapture right, rent acceleration, lease modification, or other charge or concession not expressly required under the Lease for assignments that do not require Landlord's consent.

5. Right of First Refusal. Landlord hereby grants Franchisor the first right of refusal to lease the Premises as the new tenant upon the expiration or termination of the Lease. Franchisor shall have a period of 30 days after the expiration or termination of the Lease to decide whether to exercise its right of first refusal.

6. Cross Default. Landlord agrees the expiration or termination of the Franchise Agreement shall constitute a default under the Lease, giving Franchisor the right, but not the obligation, to cure such default by succeeding to Tenant's interests under the Lease in accordance with §2 above.

7. Acknowledgment of Rights. Landlord acknowledges Franchisor's rights under the Franchise Agreement to enter the Premises, without being guilty of trespass or any other tort or crime, to: (a) make any modifications or alterations to the Premises that Franchisor deems necessary to protect its franchise system or trademarks; and (b) remove any trade fixtures, interior or exterior signs and other items bearing Franchisor's trademarks or service marks upon the expiration or termination of the Franchise Agreement. Landlord also acknowledges Franchisor's option to acquire all fixtures, equipment and leasehold improvements at the Premises for fair market value.

8. Computerized Exercise Equipment. Landlord agrees that (a) upon Tenant's default and (b) upon the expiration or termination of the Franchise Agreement, Franchisor shall have the option to purchase Franchisee's computerized exercise equipment and related equipment, including, without limitation, all EXERBOTICS® equipment and any related server (collectively, the "Computerized Exercise Equipment"). The Computerized Exercise Equipment requires an active software license to function that is not commercially available. As a result, the Computerized Exercise Equipment has no market value to anyone other than a franchisee. Without Franchisor's prior written consent, which consent may be withheld in Franchisor's sole and absolute discretion, Landlord shall not acquire any ownership rights in, and may not impose or assert any lien or other encumbrance with respect to, any Computerized Exercise Equipment located at the Premises. Landlord acknowledges Franchisor's right to enter the Premises and take possession of the Computerized Exercise Equipment upon the expiration or termination of the Franchise Agreement without being guilty of trespass or any other tort or crime.

9. Modification of Lease. Landlord and Tenant will not amend, modify, supplement, terminate, renew or extend the Lease without Franchisor's written consent.

10. Miscellaneous.

(a) In the event of any inconsistency between the terms of this Agreement and the terms of the Lease, the terms of this Agreement control.

(b) All of the terms of this Agreement, whether so expressed or not, are binding upon, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns.

(c) This Agreement may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Agreement and making specific reference to this Agreement.

(d) This Agreement may be executed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

In witness whereof, this Agreement has been executed the date and year first above written.

FRANCHISOR:

Exercise Coach USA, LLC, an Illinois limited liability company

By:_____
Name:_____
Title:_____

LANDLORD:

_____, (a)n _____
_____

By:_____
Name:_____
Title:_____

TENANT:

_____, (a)n _____
_____

By:_____
Name:_____
Title:_____

EXHIBIT "A" TO LEASE ADDENDUM

DESCRIPTION OF PREMISES

[_____]

ATTACHMENT "D"

TO FRANCHISE AGREEMENT

OWNER AGREEMENT

[See Attached]

This (this "Agreement") is entered into by: (a) each of the undersigned Owners of Franchisee (defined below); and (b) the spouse of each such Owner who is a natural Person, in favor of Exercise Coach USA, LLC, an Illinois limited liability company, and its successors and assigns ("us"). Each signatory to this Agreement is referred to as "you".

1. **DEFINITIONS**. Capitalized terms not defined above have the meanings given to them below, or if not defined below, the meanings given to them in the Franchise Agreement:

   "*Development Agreement*" means, if applicable, the Area Development Agreement pursuant to which the Franchise Agreement was executed.

   "*Franchise Agreement*" means the The Exercise Coach Franchise Agreement executed by Franchisee with an effective date of _____, 202__.

   "*Franchisee*" means _____. For purposes of this Agreement, the term "Franchisee" includes both: (a) [_____], as Franchisee under the Franchise Agreement; and (b) the Person who signed the Development Agreement (if applicable), as Developer, if such Person is different than Franchisee.

   "*Restricted Period*" means the two-year period after the earliest to occur of: (a) the termination or expiration of the Franchise Agreement; (b) the date Franchisee assigns the Franchise Agreement to another Person with respect to whom neither you nor your spouse own an Equity Interest; or (c) the date neither you nor your spouse own an Equity Interest in the Business or Franchisee Entity; *provided however*, that if a court of competent jurisdiction determines the two-year period is too long to be enforceable then Restricted Period means the one-year period after the earliest to occur of: (a) the termination or expiration of the Franchise Agreement; (b) the date Franchisee assigns the Franchise Agreement to another Person with respect to whom neither you nor your spouse own an Equity Interest; or (c) the date neither you nor your spouse own an Equity Interest in the Business or Franchisee Entity.

2. **BACKGROUND**. In your capacity as an Owner (or the spouse of an Owner) of Franchisee, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and you could seriously jeopardize our franchise system if you were to unfairly compete with us or misuse our Intellectual Property. In addition, you understand that certain terms of the Franchise Agreement apply to "Owners" and not just Franchisee. You agree to comply with this Agreement to: (a) avoid damaging our System by engaging in unfair competition; and (b) bind yourself to the terms of the Franchise Agreement applicable to Owners.

3. **BRAND PROTECTION COVENANTS**.

   (a) Intellectual Property and Confidential Information. You agree to: (i) refrain from using the Intellectual Property or Confidential Information in any capacity or for any purpose other than the operation of Franchisee's Studio in compliance with the Franchise Agreement and Manual; (ii) maintain the confidentiality of the Confidential Information at all times; (iii) refrain from making unauthorized copies of documents containing Confidential Information; (iv) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (v) immediately stop using the Intellectual Property and Confidential Information at such time that you are (or your spouse is) no longer an Owner. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable Law precludes you from assigning ownership to us, then you agree to perpetually license the Improvement to us, free of charge, with full rights to use, commercialize and sublicense the same.

   (b) Unfair Competition. You shall not engage in any Prohibited Activities at any time: (i) that you are (or your spouse is) an Owner; or (ii) during the Restricted Period. Notwithstanding the foregoing, you may have an interest in a Competing Business during the Restricted Period as long as the Competing Business is not located (and does not provide competitive goods or services to clients located) within the Restricted Territory. If you engage in any Prohibited Activity during the Restricted Period (other than

having an interest in a Competing Business permitted by this Section) your Restricted Period will be extended by the period of time during which you engaged in the Prohibited Activity. Any such extension of time will not constitute a waiver of your breach or impair any of our rights or remedies relating to your breach. For purposes of clarity, you remain bound by any non-competition covenants in other Definitive Agreements that remain in effect for a period of time that extends beyond the expiration of the Restricted Period under this Agreement, and the expiration of the Restricted Period under this Agreement does not in any way diminish your obligation to comply with such other covenants.

(c) Family Members. You could circumvent the purpose of §3 by disclosing Confidential Information to immediate family members (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove your breach. For that reason you are presumed to have breached this Agreement if an immediate family member: (i) engages in a Prohibited Activity at any time you are prohibited from doing so; or (ii) uses or discloses Confidential Information. However, you may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.

(d) Covenants Reasonable. You agree that: (i) the covenants in §3 are reasonable in duration and geographic scope; and (ii) you have sufficient resources, business experience and opportunities to earn an adequate living while complying with these covenants. Although you and we believe the covenants in §3 are reasonable we may, upon written notice to you, unilaterally modify the brand protection covenants in §3 of this Agreement by limiting the scope of the Prohibited Activities, narrowing the definition of a Competing Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under §3 of this Agreement to ensure the covenants are enforceable under applicable Law.

(e) Breach. You agree that: (i) any failure to comply with §3 is likely to cause substantial and irreparable damage to us and/or other franchisees for which there is no adequate remedy at law; and (ii) we are entitled to injunctive relief if you breach §3 together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires that we post a bond despite our mutual agreement to the contrary, the bond amount may not exceed $1,000. No remedy available to us under this Agreement is exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

4. **TRANSFER RESTRICTIONS**. We must approve all Persons who own an Equity Interest in the Business or Franchisee Entity. If you are an Owner, you agree that you will not Transfer any Equity Interest in the Business or Franchisee Entity except in accordance with §19 of the Franchise Agreement.

5. **FINANCIAL SECURITY**. In order to secure Franchisee's financial obligations under the Franchise Agreement and all other Definitive Agreements (collectively, the "Secured Agreements") you hereby personally and unconditionally: (a) guarantee to us and our successors and assigns, that Franchisee shall punctually fulfil all of its payment and other financial obligations under the Secured Agreements; and (b) agree to be personally bound by, and personally liable for, each and every monetary provision in the Secured Agreements. You waive: (i) acceptance and notice of acceptance by us of the foregoing undertakings; (ii) notice of demand for payment of any indebtedness guaranteed; (iii) protest and notice of default to any party with respect to the indebtedness guaranteed; (iv) any right you may have to require that an action be brought against Franchisee or any other Person as a condition of liability; and (v) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness hereby guaranteed. You agree that: (a) your direct and immediate liability under this guaranty is joint and several with Franchisee and all other signatories to this Agreement; (b) you will render any payment required under the Secured Agreements upon demand if Franchisee fails to promptly do so; (c) your liability is not contingent or conditioned upon our pursuit of any remedies against Franchisee or any other Person; and (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence we grant to Franchisee or any other Person, including the acceptance of any partial payment or performance, or the compromise or release of any Claims, none of which shall in any way modify or amend this guarantee, which remains continuing and irrevocable during the term of each Secured Agreement and following the termination, expiration or transfer of each Secured Agreement to the extent

any financial obligations under a Secured Agreement survive such termination, expiration or transfer. This guaranty will continue unchanged by the occurrence of any bankruptcy of Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Secured Agreements by a trustee of Franchisee. Neither your obligation to make payment in accordance with the terms of this undertaking nor any remedy for enforcement will be impaired, modified, released or limited in any manner whatsoever by any impairment, modification, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

6. **REPRESENTATION**. You represent to us that you received a copy of the executed Franchise Agreement.

7. **DISPUTE RESOLUTION**. Any dispute between the parties relating to this Agreement shall be brought in accordance with the dispute resolution provisions set forth in the Franchise Agreement, which are incorporated into this Agreement by reference as if fully set forth herein. **You acknowledge and agree that your breach of this Agreement constitutes a material event of default under the Franchise Agreement, permitting us to terminate the Franchise Agreement in accordance with its terms.**

8. **MISCELLANEOUS**.

   (a) If either party hires an attorney or files suit against the other party for breach of this Agreement, the losing party must reimburse the prevailing party for its reasonable attorneys' fees and costs.

   (b) This Agreement is governed by the Laws of Texas.

   (c) Any Claim or defense you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

   (d) Each section of this Agreement (and portion thereof) is severable. If any section (or portion thereof) is unenforceable, it shall not affect the enforceability of any other section (or portion thereof). A court may revise any provision of this Agreement to the extent necessary to make the provision enforceable.

   (e) We may deliver to you any notice contemplated by this Agreement in the same manner and to the same address listed in the notice provision of the Franchise Agreement and any such delivery shall be deemed effective for purposes of this Agreement. You may change the address to which notices must be sent by sending us a written notice requesting such change, which notice shall be delivered in the manner and to the address listed in the Franchise Agreement.

Each of the undersigned has executed this Agreement as of the date or dates set forth below.

OWNER / SPOUSE

By:_____

Name:_____

Date:_____

OWNER / SPOUSE

By:_____

Name:_____

Date:_____

ATTACHMENT "E"

TO FRANCHISE AGREEMENT

ACH AUTHORIZATION FORM

[See Attached]

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	☐ Checking ☐ Savings (check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)		Bank Phone No.

Authorization:

Franchisee hereby authorizes Exercise Coach USA, LLC ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature:_____ Date:_____

Name:_____

Title:_____

Federal Tax ID Number:_____

NOTE: FRANCHISEE MUST ATTACH A VOIDED CHECK RELATING TO THE BANK ACCOUNT.

ATTACHMENT "F"

TO FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT

[See Attached]

CONFIDENTIALITY AGREEMENT

This Agreement (this "Agreement") is entered into by the undersigned ("you") in favor of Exercise Coach USA, LLC, an Illinois limited liability company, and its successors and assigns ("us").

1. **DEFINITIONS**. Capitalized terms that are not defined above have the meanings given to them below:

"*Business Data*" means all data pertaining to Franchisee's Studio, clients and business operations, whether collected by you, Franchisee, us or any other person.

"*Confidential Information*" means and includes: (a) Know-How; (b) Business Data, including the names, contact information and other data pertaining to current, former, or prospective Studio clients; (c) information in the Manual or comprising the System; (d) terms of the Franchise Agreement (and related agreements) signed by Franchisee in connection with the Studio; and (e) all other concepts, ideas, trade secrets, financial information, marketing strategies, expansion strategies, studies, supplier information, client information, franchisee information, investor information, flow charts, inventions, mask works, improvements, discoveries, standards, specifications, formulae, recipes, designs, sketches, drawings, policies, processes, procedures, methodologies and techniques, together with analyses, compilations, studies or other documents that are: (i) designated as confidential; (ii) known by you to be considered confidential by us; and/or (iii) reasonably to be considered confidential due to their nature. Confidential Information does not include information that: (a) is now, or subsequently becomes, generally available to the public (except as a result of a breach of confidentiality obligations by you, Franchisee or Franchisee's owners, employees or other constituents); (b) you can demonstrate was rightfully in your possession, without obligation of nondisclosure, before we (or any person associated with us) or Franchisee (or any person associated with Franchisee) disclosed the information to you; (c) is independently developed by you without any use of, or reference to, any Confidential Information; or (d) is rightfully obtained from a third party who has the right to transfer or disclose the information to you without breaching a confidentiality covenant imposed on such third party.

"*Copyrighted Materials*" means all copyrightable materials for which we or our affiliate claim or secure common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Studio.

"*Franchisee*" means the THE EXERCISE COACH® franchisee for whom you are an employee or independent contractor.

"*Improvement*" means any idea, addition, modification or improvement to the (a) goods or services offered or sold at a Studio, (b) method of operation of a Studio, (c) processes, systems, protocols or procedures utilized by a Studio, (d) marketing, advertising or promotional materials, programs or strategies utilized by a Studio or (e) trademarks, service marks, logos or other intellectual property utilized by a Studio, whether developed by you, Franchisee, us or any other person.

"*Intellectual Property*" means, collectively or individually, the Business Data, Copyrighted Materials, Improvements, Know-how, Marks and System.

"*Know-how*" means and includes our (and our affiliates') trade secrets and other proprietary information relating to the design, construction, development, marketing or operation of a Studio including, but not limited to: architectural plans, drawings and specifications for a prototype Studio; site selection criteria; methods, techniques, standards, specifications, policies and procedures; supplier information and pricing; marketing and merchandising strategies; and information comprising the System or included in the Manual.

"*Manual*" means our confidential brand standards manual for the operation of a Studio.

"*Marks*" means and includes all service marks, trademarks, trade names and logos that we designate from time to time and authorize Studios to use, including THE EXERCISE COACH® and associated logos. The Marks also include any distinctive trade dress used to identify a Studio or the products or services it sells.

"*Studio*" means any studio we authorize to operate under the Marks and use our System.

"*System*" means the system we developed for the operation of a Studio, the distinctive characteristics of which include: distinctive interior and exterior design, décor, signage, color scheme and other trade dress

elements; utilization of proprietary EXERBOTICS® equipment, strength scoring methodologies and other technology and data-driven protocols; training programs; development and implementation of strategic relationships; advertising and marketing strategies; merchandising strategies; and operating system.

2. **BACKGROUND**. You are an employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our franchise system if you were to misuse our Intellectual Property or engage in unfair competition. To avoid such damage, you agree to comply with the terms of this Agreement.

3. **YOUR COVENANTS AND OBLIGATIONS**.

   (a) Protection of Confidential Information and IP. You agree to: (i) refrain from using the Intellectual Property or Confidential Information in any business or for any purpose other than the operation of Franchisee's Studio for the exclusive benefit of Franchisee; (ii) refrain from using the Intellectual Property or Confidential Information for any purpose or in any manner unrelated to the performance of your responsibilities to Franchisee in accordance with the terms of your employment or engagement with Franchisee; (iii) maintain the confidentiality of Confidential Information at all times; (iv) refrain from making unauthorized copies of documents containing Confidential Information; (v) take all steps we reasonably require to prevent unauthorized use or disclosure of Confidential Information; and (vi) immediately stop using the Intellectual Property and Confidential Information at such time that you are no longer an employee or independent contractor of Franchisee.

   (b) Improvements. You agree to assign to us or our designee, without charge, all rights to any Improvement developed by you, including the right to grant sublicenses. If applicable law precludes you from assigning ownership of any Improvement to us, then such Improvement shall be perpetually licensed by you to us free of charge, with full rights to use, commercialize and sublicense the same.

   (c) Client Information. All data and information pertaining to Studio clients (including names, contact information and other data) are exclusively owned by us and/or Franchisee and constitute Confidential Information and Know-How for purposes of this Agreement. You are strictly prohibited from using any such data or information for any purpose other to perform your duties on behalf (and for the exclusive benefit) of the Studio. You may not maintain a list of Studio clients or remove any such information from the Studio's premises. You acknowledge the client list is a unique and valuable asset that constitutes a trade secret, and that we and Franchisee would be irreparably harmed if you were permitted to use the client list for any purpose other than for the benefit of the Studio in accordance with the terms of your employment or engagement with Franchisee.

   (d) Nonsolicitation of Clients. Studio clients are acquired through our, and Franchisee's, marketing efforts and expenditures, the goodwill associated with our name and the training provided to you. Any solicitation of Studio clients or use of their information in an unauthorized manner constitutes a deceptive and unfair trade practice and a violation of our (and Franchisee's) rights and ownership interest in the client relationship and associated data, regardless of whether you provided personal training or other services to the client while working at the Studio. At such time that you no longer work at a Studio, you are permitted to compete with the Studio (and other Studios) in a fair and ethical manner. You may not, however, solicit Studio clients for any purpose at any time while you work, or after you cease to work, at a Studio. If you serve as a coach at the Studio, any client to whom you provide personal training services while you work at a Studio may decide, in their sole discretion, whether to continue to work with you as their personal trainer after you cease to work at a Studio. However, you are strictly prohibited from soliciting the client or initiating any communications with the client regarding: (i) the discontinuance of your relationship with the Studio; (ii) your contact information; or (iii) your future business activities or services.

4. **FAMILY MEMBERS**. You could circumvent the intent of this Agreement by disclosing Confidential Information to immediate family members (i.e., parent, sibling, child, or grandchild) and it would be difficult for us to prove your breach. For that reason you are presumed to have breached this Agreement if an immediate family member uses or discloses Confidential Information or engages in any actions or

activities prohibited by §3. However, you may rebut this presumption with evidence conclusively showing you did not disclose Confidential Information to the family member.

5. **BREACH**. You agree that: (a) your breach of this Agreement is likely to cause substantial and irreparable damage to us and Franchisee for which there is no adequate remedy at law; and (b) we are entitled to injunctive relief if you breach this Agreement together with any other relief available at equity or law. We will notify you if we intend to seek injunctive relief but we need not post a bond. If a court requires us to post a bond despite our mutual agreement to the contrary, the bond amount may not exceed $1,000. No remedy available to us under this Agreement is exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages.

6. **THIRD-PARTY BENEFICIARY**. Franchisee is an express and intended third-party beneficiary of this Agreement with the right to directly enforce the terms of this Agreement against you.

7. **MISCELLANEOUS**.

   (a) If we hire an attorney or file suit against you for breach of this Agreement and we prevail, you must reimburse us for our reasonable attorneys' fees and costs.

   (b) This Agreement is governed by the laws of Texas. Any legal proceedings arising out of this Agreement must be brought exclusively in a court of competent jurisdiction in Montgomery County, Texas.

   (c) Each section of this Agreement (and portion thereof) is severable. If any section (or portion thereof) is unenforceable, it shall not affect the enforceability of any other section (or portion thereof). A court may revise any provision of this Agreement to the extent necessary to make the provision enforceable.

This Agreement is executed as of the date set forth below.

By:_____

Name:_____

Date:_____

EXHIBIT "D"

TO DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT

[See Attached]

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPER: _____
DATE: _____

TABLE OF CONTENTS

1. DEFINITIONS 1
2. GRANT OF DEVELOPMENT RIGHTS 2
3. TERRITORIAL PROTECTIONS AND LIMITATIONS. 2
4. DEVELOPMENT OBLIGATIONS 2
5. DEVELOPMENT FEE 3
6. DEVELOPER ENTITY 3
7. TRANSFERS 3
8. TERMINATION 5
9. EFFECT OF TERMINATION 5
10. DISPUTE RESOLUTION 5
11. REPRESENTATIONS. 5
12. GENERAL PROVISIONS 6

ATTACHMENTS

ATTACHMENT "A" Deal Terms

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this "Agreement") is entered into as of _____, 202__ (the "Effective Date") between Exercise Coach USA, LLC, an Illinois limited liability company ("we" or "us") and _____, a(n) _____ ("you").

1. DEFINITIONS. Capitalized terms not defined above have the meanings given to them below, or if not defined below, the meanings given to them in the Initial Franchise Agreement.

"*Developer Entity*" means an Entity that: (a) signs this Agreement as the area developer (if this Agreement is signed by an Entity); or (b) assumes this Agreement subsequent to its execution by the original Owners.

"*Development Business*" means the business you conduct pursuant to this Agreement consisting of developing and opening Studios within the Development Territory.

"*Development Schedule*" means the schedule described in §4.1 and Part C of ATTACHMENT "A" for the development of the Studios within the Development Territory.

"*Development Territory*" means the geographic area described in Part D of ATTACHMENT "A"; *provided, however*, that the Development Territory excludes, and shall not be deemed to include, the geographic area within any territory assigned to another Studio that: (a) is open and operating, under construction, or for which a site has been approved, in each case as of the Effective Date; and (b) is located (or will be located) in the geographic area described in Part D of ATTACHMENT "A".

"*Discounted Initial Franchise Fee*" means the discounted initial franchise fee set forth in Part B of ATTACHMENT "A" applicable to each Studio other than your first Studio.

"*Dispute*" means any Claim, dispute or disagreement between the parties, including any matter pertaining to: (a) the interpretation or enforcement of this Agreement; (b) the offer or sale of the area development rights; or (c) the relationship between the parties.

"*Franchise Agreement*" means a The Exercise Coach Franchise Agreement executed by us and you (or your affiliate) for the development and operation of a Studio pursuant to this Agreement.

"*General Release*" means our then-current form of Waiver and Release of Claims that you and your Owners must sign pursuant to §7.2 in connection with a Transfer.

"*Initial Franchise Agreement*" means the Franchise Agreement you execute for the first Studio to be developed pursuant to this Agreement.

"*MUO Training*" means our then-current Multi-Unit Operator Training Program that we provide to area developers and that includes instruction on multi-unit Studio operations.

"*Owner*" means a Person who meets any of the following criteria: (a) the Person directly signs this Agreement as the area developer, either alone or in conjunction with one or more other Persons; (b) the Person directly or indirectly through one or more intermediaries owns an Equity Interest in the Development Business or Developer Entity; (c) the Person directly signs a Franchise Agreement as the franchisee, either alone or in conjunction with one or more other Persons; and/or (d) the Person directly or indirectly through one or more intermediaries owns an Equity Interest in any affiliate of yours that executes a Franchise Agreement as authorized by §6.

"*Permitted Transfer*" means a Transfer: (a) between existing Owners; (b) by the Owners to a new Developer Entity for which such Owners collectively own and control 100% of the Equity Interests; or (c) of less than 20% of the Equity Interests in the Development Business or Developer Entity; *provided, however*, that a Permitted Transfer does not include a Transfer that results in the Managing Owner owning less than 20% of the Equity Interests in the Development Business or Developer Entity.

"*Term*" means the period of time beginning on the Effective Date of this Agreement and expiring on the earlier to occur of: (a) the opening date listed in the Development Schedule for the last Studio you are required to open; or (b) the date this Agreement is effectively terminated.

"*Transfer*" means any direct or indirect, voluntary or involuntary, assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of:

(a) this Agreement (or any interest therein);

(b) the area development rights granted by this Agreement (or any interest therein);

(c) the Development Business you conduct pursuant to this Agreement (or any interest therein); or

(d) an Equity Interest in the Development Business or Developer Entity;

including by: merger or consolidation; judicial award, order or decree; issuance of additional Equity Interests (including public and private offerings); foreclosure of a security interest by a lender; or operation of Law, will or a trust upon an Owner's death (including via the Laws of intestate succession).

2. GRANT OF DEVELOPMENT RIGHTS. Subject to the terms of this Agreement, we hereby grant you the right and obligation to develop, open and operate each of the Studios listed in the Development Schedule. This Agreement does not grant you any right or license to use our Intellectual Property.

3. TERRITORIAL PROTECTIONS AND LIMITATIONS. During the Term we will not develop or operate, or license a third party to develop or operate, a Studio that is located in the Development Territory. We and our affiliates reserve the right to: (a) sell, and license third parties to sell, competitive or identical goods and services (including under the Marks) within the Development Territory through Alternative Channels of Distribution; and (b) sell EXERBOTICS® Equipment (and any other exercise, fitness or other equipment developed in the future) and license proprietary software and technology to third parties within the Development Territory except to the extent prohibited by the terms of the Participation Agreement.

4. DEVELOPMENT OBLIGATIONS

4.1. **Development Schedule**. You must develop, open and operate all Studios listed in the Development Schedule. You must develop and open the Studios in strict compliance with the opening dates set forth in the Development Schedule. We may, in our sole discretion, extend one or more opening dates listed in the Development Schedule if you demonstrate to our satisfaction that you used best efforts to comply with the opening date and the need for the extension is due to unforeseeable delays rather than your lack of diligence or funding. The opening date listed in the Development Schedule for a given Studio may be earlier than the opening date required under the terms of the associated Franchise Agreement. In order to comply with the Development Schedule you must open each Studio by the opening date listed in the Development Schedule even if such date is earlier than the opening date required by the associated Franchise Agreement.

4.2. **Reasonableness of Development Schedule**. You represent that you: (a) have conducted your own independent investigation and analysis of the prospects for development of the Studios in the Development Territory; (b) approve the Development Schedule as being reasonable and viable; and (c) recognize that any breach of the Development Schedule is a material breach of this Agreement.

4.3. **Site Selection**. All Studios you develop pursuant to this Agreement must be located in the Development Territory. You must select the specific site for each Studio in compliance with our then-current site selection criteria. We must approve the site for each Studio in accordance with the applicable Franchise Agreement.

4.4. **Franchise Agreements**. You must sign a separate Franchise Agreement for each Studio. You must sign the Initial Franchise Agreement for your first (1st) Studio at the time you sign this Agreement. We will not review proposed sites for a Studio until you sign the associated Franchise Agreement. Each Franchise Agreement shall be our then-current form of Franchise Agreement (modified to reflect the Discounted Initial Franchise Fee), the terms of which may vary materially and substantially from the terms of the Initial Franchise Agreement; *provided, however*, that: (a) the royalty fee and brand fund fee will not exceed the royalty fee and brand fund fee imposed by the Initial Franchise Agreement; and (b) the initial franchise fee shall be deemed satisfied by the development fee imposed under §5. You have no right to construct or operate a Studio until the parties have signed a Franchise Agreement and all ancillary agreements for that Studio. You must develop, open and operate each Studio in compliance with the Franchise Agreement and the Manual.

4.5. **Multi-Unit Operator Training Program**. At the time you sign each Franchise Agreement under

this Agreement (excluding the Initial Franchise Agreement), you must pay us a $2,500 training fee to cover MUO Training for your Managing Owner and up to two (2) additional Persons. Our current MUO Training program is conducted remotely over a 6-month period following execution of the Franchise Agreement. In connection with each Franchise Agreement executed pursuant to this Agreement (excluding the Initial Franchise Agreement) you must pay us both: (a) a $2,500 training fee for MUO Training (unless waived by us as set forth below); and (b) a $5,000 initial training fee for the standard initial training program we provide for your management personnel and Coaches in accordance with the Franchise Agreement. We reserve the right to waive MUO Training (and the associated $2,500 training fee) if: (a) your Managing Owner and all other staff members we designate successfully completed MUO Training on a prior occasion; and (b) we determine, in our sole discretion, that requiring such Persons to complete our then-current MUO Training program is not necessary.

4.6. **Additional Studios**. You may not develop any Studio other than the Studios listed in the Development Schedule unless we, in our sole discretion, permit you to enter into a new area development agreement, which would be upon such terms that we specify, after you develop all Studios listed in the Development Schedule in accordance with this Agreement.

5. **DEVELOPMENT FEE**. At the time you sign this Agreement you must pay us: (a) the full initial franchise fee for your first Studio in the amount set forth in Part B of ATTACHMENT "A"; and (b) the development fee set forth in Part B of ATTACHMENT "A", which: (i) is calculated as the aggregate Discounted Initial Franchise Fees imposed for all Studios you commit to develop under this Agreement (excluding the first (1st) Studio; and (ii) is deemed to include, and satisfy in full, the initial franchise fee imposed under each Franchise Agreement you sign pursuant to this Agreement (excluding the Initial Franchise Agreement). The development fee is fully earned and nonrefundable upon execution of this Agreement.

6. **DEVELOPER ENTITY**. You represent that Part A of ATTACHMENT "A" includes a complete and accurate list of your Owners. Upon request, you must send us a resolution of the Developer Entity authorizing the execution of this Agreement, a copy of its organizational documents and a current Certificate of Good Standing. You may form a separate Entity to enter into each Franchise Agreement provided that: (a) the Person(s) owning the Equity Interests (and the percentage of the Equity Interests owned) in each such Entity must be the same Person(s) owning the Equity Interests (with the same percentage of the Equity Interests owned) in the Developer Entity; and (b) each such Entity guarantees the performance of all other Entities formed under the authority of this §6. Each Owner, and the spouse of each Owner who is a natural Person, must sign an Owner Agreement.

7. **TRANSFERS**

7.1. **By Us**. This Agreement is fully assignable by us, without prior notice to you, and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Agreement up to the effective date of the assignment.

7.2. **By You**. The rights and duties created by this Agreement are personal to you and the Owners. We are granting you area development rights in reliance upon the character, skill, attitude, business ability and financial resources of you and your Owners. Because this Agreement is a personal services contract, neither you nor any Owner may engage in a Transfer (other than a Permitted Transfer) without our prior approval. No Transfer may occur prior to such time that you open the first (1st) Studio pursuant to this Agreement. Any Transfer (other than a Permitted Transfer) without our approval is void and constitutes a breach of this Agreement. We will not unreasonably withhold our approval of a proposed Transfer if all of the following conditions are satisfied:

(a) we believe the proposed transferee has sufficient business experience, aptitude and financial resources to develop, own and operate all of the remaining Studios to be developed under this Agreement and meets our minimum criteria for area developers;

(b) you and your Owners and affiliates are in full compliance with all Definitive Agreements;

(c) the transferee's owners successfully complete, or make arrangements to attend, the initial training program and the transferee pays us any applicable training fee;

(d) the transferee and its owners sign our then-current form of area development agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee) except that: (i) the Term shall be the Term remaining under this Agreement; (ii) the transferee need not pay a separate development fee; and (iii) the Development Schedule and Development Territory shall be the same Development Schedule and Development Territory specified in this Agreement (modified to reflect the development obligations satisfied prior to the Transfer);

(e) you or the transferee pay us a $25,000 transfer fee (in addition to the transfer fee, you must reimburse us for any commission we pay our broker if our broker finds the transferee);

(f) you assign all Franchise Agreements to the transferee in accordance with the transfer provisions under each such Franchise Agreement (but you are not required to pay the separate transfer fee imposed under each such Franchise Agreement since the transfer fee imposed under this Agreement covers the Transfer of all such Franchise Agreements);

(g) you and your Owners sign a General Release;

(h) we choose not to exercise our right of first refusal described in §7.5; and

(i) you or the transferring Owner, as applicable, and the transferee satisfy all other conditions we reasonably require as a condition to our approval of the Transfer.

You may not: (a) transfer less than all development rights remaining under this Agreement (i.e., you may not retain the right to develop any Studio); or (b) transfer your development rights to multiple transferees. Our consent to a Transfer shall not constitute a waiver of any Claims we may have against the transferor or our right to demand the transferee comply with all terms of the area development agreement.

7.3. **Permitted Transfers**. You may engage in a Permitted Transfer without our prior approval, but you must: (a) give us at least 10 days' prior notice; (b) upon our request, cause the former Developer Entity to sign a corporate guarantee in the format we require to secure performance of the new Developer Entity's financial obligations under all Definitive Agreements (if the Permitted Transfer results in a new Developer Entity); and (c) any new Owner (and their spouse) must sign an Owner Agreement. You and the Owners (and the transferee) agree to sign all documents we reasonably request to effectuate and document the Permitted Transfer.

7.4. **Owner Death or Disability**. Within 180 days after an Owner's death or permanent disability, the Owner's Equity Interest in the Development Business or Developer Entity must be Transferred to another Person in compliance with §7.2 or §7.3. An Owner is deemed to have a "permanent disability" if he/she has a medical or mental problem that prevents him/her from substantially complying with his/her obligations under this Agreement for a period of at least three (3) months.

7.5. **Our Right of First Refusal**. If you or an Owner wish to engage in a Transfer, you or the Owner, as applicable, must obtain and send us a bona-fide offer executed by the purchaser after completion of due diligence. We have 30 days after receipt of the offer to decide whether to purchase the interest for the same price and upon the same terms contained in the offer, except we may substitute cash for any non-cash form of payment proposed in the offer. If we notify you within the 30-day period that we intend to purchase the interest, you or the Owner, as applicable, must sell the interest to us. We will have an additional 60 days to prepare for closing. You or the Owner, as applicable, must provide us with all customary representations and warranties regarding the title to and condition of the assets or Equity Interest that we purchase, or at our option, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to the terms of the offer, subject to the requirements of §7.2, including our approval of the transferee. If the sale is not completed within 120 days after we receive the offer, or there is a material change to the terms of sale, we will again have the right of

first refusal specified in this Section. Our right of first refusal shall not apply to a Permitted Transfer.

8. TERMINATION

8.1. **By Us**. We may terminate this Agreement, effective upon delivery of a notice of termination, for either of the following reasons, each of which constitute material events of default and "good cause" for termination, and without opportunity to cure except for any cure period expressly set forth below:

(a) if we terminate any Definitive Agreement due to a default committed by you or one of your Owners or affiliates; or

(b) if you (or an Owner) breach any provision of this Agreement and fail to cure within 30 days after receipt of a default notice.

8.2. **By Mutual Agreement**. If you and we mutually agree in writing to terminate this Agreement, any notice or cure period that might otherwise apply shall be deemed waived.

9. EFFECT OF TERMINATION. Termination of this Agreement ends all your rights and development obligations under this Agreement, including your interests in the Development Territory and right to sign new Franchise Agreements or open new Studios. We will not refund any portion of the development fee.

10. DISPUTE RESOLUTION. Any Dispute between the parties relating to this Agreement shall be resolved pursuant to the dispute resolution provisions in the Initial Franchise Agreement. All such dispute resolution provisions are incorporated herein by reference as if fully set forth in this Agreement.

11. REPRESENTATIONS.

11.1. **Corporate Representations**. You and your Owners jointly and severally represent and warrant to us that the execution and delivery of this Agreement, and the performance of your obligations hereunder, does not: (a) conflict with, breach or constitute a default under any agreement to which you are (or any affiliate of yours is) a party or by which your (or your affiliate's) assets are bound; (b) violate any order, injunction, decree, judgment or ruling of a Governmental Authority; or (c) violate any applicable Law. If the developer is an Entity, then you and your Owners also jointly and severally represent and warrant to us that: (a) the Developer Entity is duly organized, validly existing and in good standing under the Laws of the state of its formation and has the requisite power and authority to enter into this Agreement and to perform its obligations hereunder; and (b) the execution and delivery of this Agreement have been duly authorized by all requisite corporate action and this Agreement constitutes the legal, valid and binding obligation of, and is enforceable against, the Developer Entity in accordance with its terms.

11.2. **General Representations**. You and your Owners jointly and severally represent and warrant to us that: (a) other area developers may operate under different forms of agreement and our obligations and rights with respect to area developers differs materially in certain circumstances; and (b) we may negotiate terms or offer concessions to other area developers and we have no obligation to offer you the same or similar negotiated terms or concessions.

11.3. **Anti-Terrorism Compliance**. You and your Owners jointly and severally represent and warrant to us that, to the best of your knowledge: (a) no property or interest owned by you or any Owner is subject to being "blocked" under any Anti-Terrorism Law; (b) neither you nor any Owner, nor any of their respective funding sources (including any legal or beneficial owner of an Equity Interest in the Development Business or Developer Entity) or related parties is, or has ever been: (i) a terrorist or suspected terrorist within the meaning of the Anti-Terrorism Law; or (ii) identified by name, alias, pseudonym, nickname or address on any Terrorist List, including the list of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.home.treasury.gov); and (c) you and the Owners are in compliance, and will continue to comply, with the Anti-Terrorism Law and all other U.S. Laws currently in effect, or enacted in the future, that prohibit corrupt business practices, money laundering or the aid or support of Persons who conspire to commit acts of terror against any Person

or government. The foregoing representations and warranties are 'continuing' representations and warranties for the duration of the franchise relationship. Accordingly, you must immediately notify us of the occurrence of any event or development of any circumstance that might render any of the foregoing representations and warranties false, inaccurate or misleading.

12. GENERAL PROVISIONS

12.1. **Governing Law**. This Agreement and the franchise relationship are governed by the Laws of Texas without reference to its principles of conflicts of law, but any Texas Law that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

12.2. **Severability**. Each section of this Agreement (and portion thereof) is severable.

12.3. **Waivers**. Each party may waive any obligation imposed on the other party in writing. Neither party shall be deemed to have waived or impaired any of its contractual rights under this Agreement, including the right to require strict compliance with all terms of this Agreement or terminate this Agreement due to the other party's failure to comply with such terms, by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect by a party to exercise any right under this Agreement or require the other party to strictly comply with its obligations under this Agreement; (c) our waiver, failure or refusal to exercise any of our rights with respect to other developers; or (d) our acceptance of payment from you after your breach.

12.4. **Approvals**. Whenever this Agreement requires our approval, you must make a timely written request for approval. Our approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request.

12.5. **Force Majeure**. Neither party shall be liable for loss or damage or deemed in breach of this Agreement if such party's failure to perform its obligations results from an event of Force Majeure; *provided, however*, that an event of Force Majeure shall not excuse or permit any failure to perform for more than 180 days. If the period of non-performance exceeds 180 days from receipt of notice of the Force Majeure event, the party whose ability to perform has not been affected may immediately terminate this Agreement by giving notice of termination to the other party.

12.6. **Binding Effect**. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any Person not a party to this Agreement.

12.7. **Integration**. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CHANGED EXCEPT BY A WRITTEN DOCUMENT SIGNED BY BOTH PARTIES. Any email or informal electronic communication shall not be deemed to modify this Agreement unless it is signed by both parties and specifically states it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which together with any Amendments or Addenda executed on or after the Effective Date constitutes the entire understanding and agreement of the parties. There are no other oral or written understandings or agreements between the parties about the subject matter of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. Nothing in this Agreement is intended to disclaim any of the representations we made in the Franchise Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

12.8. **Good Faith Covenant**. If applicable Law implies into this Agreement a covenant of good faith and fair dealing, the covenant shall not imply any rights or obligations inconsistent with the express terms hereof. This Agreement, and the relationship of the parties inherent in this Agreement, grants us discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may favorably or adversely affect your interests. We will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees, but without considering the individual interests of you or any other franchisee.

12.9. **Rights of Parties are Cumulative**. The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by Law.

12.10. **Survival**. All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement, or the Transfer of an Equity Interest in the Development Business or Developer Entity, shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire.

12.11. **Construction**. The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term "you" as used in this Agreement is applicable to one or more Persons, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

12.12. **Time of Essence**. Time is of the essence in this Agreement and every term thereof.

12.13. **Notices**. All notices and notifications given under this Agreement must be in writing and must be provided in accordance with the Notice Provision of the Initial Franchise Agreement.

12.14. **Counterparts**. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

The parties below have executed this Agreement effective as of the Effective Date first above written.

FRANCHISOR:

Exercise Coach USA, LLC, an Illinois limited liability company

By:_____
Name:_____
Title:_____

YOU (If you are an Entity):

_____,
a(n)_____

By:_____
Name:_____
Title:_____

YOU (If you are not an Entity):

_____
Name:_____

_____
Name:_____

_____
Name:_____

_____
Name:_____

ATTACHMENT "A"

TO AREA DEVELOPMENT AGREEMENT

DEAL TERMS

A. Area Developer Details

Name of area developer: [_____]

Is the area developer one or more natural Persons signing in their individual capacity? **Yes**: _____ **No**: _____

Type of Entity and State of Formation* (if applicable): [_____]

* *If the area developer is a business Entity, each Person holding a direct or indirect Equity Interest in the Developer Entity, and spouse of each such Person who is a natural Person, must sign an Owner Agreement concurrently with the execution of this Agreement.*

The following table includes the full name of each Person holding a direct or indirect Equity Interest in the Development Business or Developer Entity, as applicable, along with a description of their Equity Interest.

Owner's Name	% Equity Interest	Direct or Indirect (if indirect, describe nature of interest)

Notice Address: _____
_____
_____
Attention: _____
Email: _____

B. Fees

- The initial franchise fee for the first (1st) Studio developed under this Agreement is $49,500.
- The Discounted Initial Franchise Fee varies as follows: (a) $40,000 for the 2nd Studio developed under this Agreement; (b) $25,000 per Studio for the third (3rd) and fourth (4th) Studios developed under this Agreement; and (c) $20,000 per Studio for each additional Studio developed under this Agreement.
- The development fee is $_____.

C. Development Schedule

You must comply with the following minimum development obligations as specified in §4 of the Agreement:

DEVELOPMENT PERIOD ENDING*	NUMBER OF STUDIOS OPENED DURING DEVELOPMENT PERIOD	CUMULATIVE NUMBER OF STUDIOS OPENED AND IN OPERATION
1 year after Effective Date		
2 years after Effective Date		
3 years after Effective Date		
4 years after Effective Date		
5 years after Effective Date		
6 years after Effective Date		
7 years after Effective Date		
8 years after Effective Date		
9 years after Effective Date		
10 years after Effective Date		
Total Number of Studios to be Developed: [_____]		

* The required opening date for a given Studio is the last day of the Development Period in which the Studio must open.

D. Development Territory

The Development Territory consists of, and shall be limited to, the following geographic area, as may be further depicted on a map attached below or on the following page: [_____]; *provided, however*, that the Development Territory excludes, and shall not be deemed to include, the geographic area within any territory assigned to another Studio that: (a) is open and operating, under construction, or for which a site has been approved, in each case as of the Effective Date; and (b) is located (or will be located) in the geographic area described in this Part D.

If the boundaries that define the Development Territory change during the Term, the boundaries of your Development Territory will remain unaffected and will continue to be defined by the boundaries that were in effect as of the Effective Date (as may be depicted on a map attached below or on the following page).

[Insert Map (if applicable)]

EXHIBIT "E"

TO DISCLOSURE DOCUMENT

OTHER AGREEMENTS

EXHIBIT "E"-1

STATE ADDENDA

[See Attached]

STATE ADDENDA AND AMENDMENTS TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES

BACKGROUND AND PURPOSE

The following modifications are made to the The Exercise Coach Franchise Disclosure Document ("FDD" or "Disclosure Document") issued by Exercise Coach USA, LLC ("we" or "us" or "franchisor") to franchisee ("you" or "franchisee") and may supersede certain portions of the Franchise Agreement between you and us dated _____, 202__ (the "Franchise Agreement"). When the term "Supplemental Agreements" is used, it means any area development agreement, area representative agreement, master franchise agreement, or similar agreement entered into between us and you, if applicable.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement, Supplemental Agreements and other documents related to the sale of a franchise. This State-Specific Addendum ("State Addendum") will modify these agreements to comply with the applicable state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum (but only the State Addendum for the applicable State) will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Documents. This State Addendum only applies to the following states: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements. If you sign this State Addendum, only the terms applicable to the state or states whose franchise laws apply to your transaction will govern. If you sign this State Addendum, but none of the state franchise laws listed above applies because their jurisdictional requirements have not been met, then this State Addendum will be void and inapplicable to you.

HAWAII

A. The states in which this filing is effective include the following: None

B. The states in which this filing is or will be shortly on file include the following: California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

C. The states, if any, which have refused, by order or otherwise, to register these franchises include the following: None

D. The states, if any, which have revoked or suspended the right to offer these franchises include the following: None

E. The states, if any, in which the filing of these franchises has been withdrawn include the following: None

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

NO STATEMENT, QUESTIONNAIRE, OR ACKNOWLEDGEMENT SIGNED OR AGREED TO BY A FRANCHISEE IN CONNECTION WITH THE COMMENCEMENT OF THE FRANCHISE RELATIONSHIP SHALL HAVE THE EFFECT OF (I) WAIVING ANY CLAIMS UNDER ANY APPLICABLE STATE FRANCHISE LAW, INCLUDING, FRAUD IN THE INDUCEMENT, OR (II) DISCLAIMING RELIANCE ON ANY STATEMENT MADE BY ANY FRANCHISOR, FRANCHISE SELLER, OR OTHER PERSON ACTING ON BEHALF OF THE FRANCHISOR. THIS PROVISION SUPERSEDES ANY OTHER TERM OF ANY DOCUMENT EXECUTED WITH THE FRANCHISE.

ILLINOIS ADDENDUM TO THE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT

Illinois law governs the Agreements.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon termination and non-renewal of a franchise are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

See the last page of this Exhibit "E-1" for your signature.

INDIANA

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the Franchise Agreement, the other agreements or Texas law if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code § 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as material breach of the Franchise Agreement, shall supersede the provisions of the Franchise Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

3. Termination penalties are prohibited by law in the State of Indiana. Therefore, the Disclosure Document, the Franchise Agreement and Supplemental Agreements are amended to delete all references to any fees or other financial obligations that constitute termination penalties under Indiana law.

4. No release language set forth in the Disclosure Document or Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.

5. The Franchise Agreement is amended to provide that such agreement will be construed in accordance with the laws of the State of Indiana.

6. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires the Franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, is deleted from any Franchise Agreement issued in the State of Indiana.

7. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

In recognition of the requirements of the Maryland Franchise Law, the Franchise Agreement is amended to add the following:

1. Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

2. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.

3. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Law.

4. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

5. Any acknowledgements or representations by you that disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Law.

FRANCHISOR:	**FRANCHISEE:**
Exercise Coach USA, LLC	_____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

MARYLAND ADDENDUM TO AREA DEVELOPMENT AGREEMENT

In recognition of the requirements of the Maryland Franchise Law, the Area Development Agreement is amended to add the following:

1. Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

2. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.

3. You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Law.

4. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

5. Any acknowledgements or representations by you that disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Law.

FRANCHISOR:	**FRANCHISEE:**
Exercise Coach USA, LLC	_____
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law (the "Maryland Franchise Law"), the Disclosure Document is amended as follows:

1. Item 17 of the Disclosure Document is amended to add the following:

   a. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply any liability under the Maryland Franchise Registration and Disclosure Law.

   b. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

   c. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

   d. In the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.

   e. The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et seq.).

   f. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MICHIGAN

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any document relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to

purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

MINNESOTA

A. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

B. With respect to franchises governed by Minnesota law, the franchiser will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases)

- that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and
- that consent to the transfer of the franchise will not be unreasonably withheld.

C. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80Cor (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

D. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

E. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.

F. The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

G. NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

H. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for a franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

4. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**," and Item 17(w), titled "**Choice of law**":

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York

5. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 *et seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

1. Covenants not to compete are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

2. Provisions requiring arbitration or mediation to be held at a location that is remote from the site of the franchisee's business are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, the parties must agree on the site where arbitration or mediation will be held.

3. Provisions requiring jurisdiction in a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

4. Provisions requiring that agreements be governed by the laws of a state other than North Dakota are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

5. Provisions requiring your consent to liquidated or termination damages are generally considered unenforceable in the State of North Dakota, pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law.

6. Provisions requiring you to sign a general release upon renewal of the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

7. Provisions requiring you to pay all costs and expenses incurred by us in enforcing the franchise agreement have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

8. Provisions requiring you to consent to a waiver of trial by jury have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

9. Provisions requiring you to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Accordingly, any such provision is modified to read that the statute of limitations under North Dakota Law will apply.

10. Provisions requiring you to consent to a waiver of exemplary and punitive damages have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Invest Law.

11. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

RHODE ISLAND

(a) We will not require that you prospectively assent to a waiver, condition, stipulation, or provision that purports to relieve any person from liability imposed by the Rhode Island Franchise Law. This provision does not apply to the settlement of disputes, claims, or civil lawsuits brought under the Rhode Island Franchise Law.

(b) If a claim is enforceable under the Rhode Island Franchise Law, we will not restrict jurisdiction or venue to a forum outside the State of Rhode Island or require the application of the laws of another state.

(c) We will not prohibit you from joining a trade association or association of franchisees. We will not retaliate against you for engaging in these activities.

(d) Any provision in the Franchise Agreement that limits the time period in which you may assert a legal claim against us under the Rhode Island Franchise Law is amended to provide for a four (4) year statute of limitations for purposes of bringing a claim arising under the Rhode Island Franchise Law. Notwithstanding the foregoing, if a rescission offer has been approved by the Rhode Island director of business registration, then the statute of limitations is ninety (90) days after your receipt of the rescission offer.

(e) No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTH DAKOTA

No franchise agreement may include any term or condition in a franchise that:

(1) Requires the franchisee to waive trial by jury involving the franchisor;

(2) Specifies the jurisdictions, venues or tribunals in which disputes arising with respect to the franchise, lease or agreement shall or may not be submitted for resolution or otherwise prevents a franchisee from bringing an action in a particular forum otherwise available under the law;

(3) Requires that disputes between the franchisor and franchisee be submitted to arbitration or to any other binding alternate dispute resolution procedure. However, any franchise, lease or agreement may authorize the submission of a dispute to arbitration or to binding alternate dispute resolution if the franchisor and franchisee voluntarily agree to submit the dispute to arbitration or binding alternate dispute resolution at the time the dispute arises;

(4) Requires a franchisee to pay the attorney fees of a franchisor;

(5) Prohibits the holder of an existing franchise from being dualed with another franchisor's line that does not substantially affect the current franchisor or community;

(6) Prohibits the holder of an existing franchise from moving to another facility within the franchisee's community that is equal to or superior to the franchisee's former facility;

(7) Prohibits the holder of an existing franchise from making improvements to the franchisee's current facility within the franchisee's community; or

(8) Permits a franchisor or the franchisor's assignee to exercise a right of first refusal to acquire a franchisee's franchise or a franchisee's assets in connection with the sale by a franchisee of that franchisee's franchise or assets.

VIRGINIA

ITEM 17 of the Disclosure Document is amended to add the following:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee/area developer to surrender any right given to him under the applicable agreement.

If any provision of the Franchise Agreement or Area Development Agreement involves the use of undue influence by the franchisor to induce a franchisee/area developer to surrender any rights given to him under the applicable agreement, that provision may not be enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (a) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("**Addenda**") is checked as an "Applicable Addenda" below, then that Applicable Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreements (if applicable) and any other specified agreement(s) entered into by us and the undersigned franchisee. To the extent any terms of an applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement, Supplemental Agreement (if applicable) and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement. We are responsible for checking the appropriate box or boxes.

☐ Hawaii	☐ Michigan	☐ Rhode Island
☐ Illinois	☐ Minnesota	☐ South Dakota
☐ Indiana	☐ New York	☐ Virginia
☐ Maryland	☐ North Dakota	☐ Wisconsin

Dated: _____, 202____

FRANCHISOR:

Exercise Coach USA, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

[_____]

By:_____
Name:_____
Title:_____

EXHIBIT "E"-2

GENERAL RELEASE

[See Attached]

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims (this "Agreement") is made as of _____, 202__ (the "Effective Date") by _____, a(n) _____ ("you") and each individual holding a direct or indirect ownership interest in you (collectively "Owner") in favor of Exercise Coach USA, LLC, an Illinois limited liability company ("us," and together with you and Owner, the "Parties").

Background

A. We signed a Franchise Agreement with you, dated _____, 202____ (the "Franchise Agreement") pursuant to which we granted you the right to own and operate a THE EXERCISE COACH® studio.

B. You have notified us of your desire to transfer the Franchise Agreement and all rights related thereto, or an ownership interest in the franchisee entity, to a transferee, [**enter into a successor franchise agreement**] and we have consented to such transfer [**agreed to enter into a successor franchise agreement**].

C. As a condition to our consent to the transfer [**your ability to enter into a successor franchise agreement**], you and Owner have agreed to execute this Agreement upon the terms and conditions stated below.

D. In consideration of our consent to the transfer [**our entering into a successor franchise agreement**], and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, you and Owner hereby agree as set forth below.

Agreement

1. Release. Owner, you, and each of your officers, directors, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them (the "Franchisee Parties"), hereby release, acquit and forever discharge us, any and all of our past and present affiliates, parents, subsidiaries and related companies, divisions and partnerships, consultants, advisors and franchise sellers and its and their respective past and present officers, directors, shareholders, members, owners, employees, agents, representatives, affiliates, parents, divisions, successors and assigns, and the spouses of such individuals (collectively, the "Franchisor Parties"), from any and all claims, liabilities, damages, expenses, actions or causes of action which any of the Franchisee Parties may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, directly or indirectly arising out of or relating to the execution and performance (or lack thereof) of the Franchise Agreement or the offer, sale or acceptance of the franchise related thereto (including, but not limited to any disclosures and representations made in connection therewith). The foregoing release shall not be construed to apply with respect to any obligations contained within this Agreement.

2. California Law. You and Owner hereby express your intention to release all existing claims, whether known or unknown, against the Franchisor Parties. Accordingly, you and Owner hereby waive §1542 of the California Civil Code, which provides the following:

   > "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

   [Section 2 only applies for California franchisees; otherwise it is omitted]

3. Washington Franchise Law. The General Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

   [Section 3 only applies for Washington franchisees; otherwise it is omitted]

4. Nondisparagement. Each of the Franchisee Parties expressly covenant and agree not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Franchisor Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Franchisor Parties, the business conducted by any of the Franchisor Parties or the reputation of any of the Franchisor

Parties. For purposes of clarity, the obligations in this Section apply to all methods of communications, including the making of statements or representations through direct verbal or written communication as well as the making of statements or representations on the Internet, through social media sites or through any other verbal, digital or electronic method of communication. The obligations in this Section also prohibit the Franchisee Parties from indirectly violating this Section by influencing or encouraging third parties to engage in activities that would constitute a violation of this Section if conducted directly by a Franchisee Party.

5. Representations and Warranties. You and Owner each represent and warrant that: (a) [Insert franchisee entity name] is duly authorized to execute this Agreement and perform its obligations hereunder; (b) neither you nor Owner has assigned, transferred or conveyed, either voluntarily or by operation of law, any of their rights or claims against any of the Franchisor Parties or any of the rights, claims or obligations being terminated or released hereunder; (c) you and Owner have not and shall not (i) institute or cause to be instituted against any of the Franchisor Parties any legal proceeding of any kind, including the filing of any claim or complaint with any state or federal court or regulatory agency, alleging any violation of common law, statute, regulation or public policy premised upon any legal theory or claim whatsoever relating to the matters released in this Agreement or (ii) make any verbal, written or other communication that could reasonably be expected to damage or adversely impact any Franchisor Party's reputation or goodwill; and (d) the individuals identified as Owners on the signature pages hereto together hold 100% of the legal and beneficial ownership interests in [Insert franchisee entity name].

6. Communications with Governmental Authorities. Nothing in this Agreement shall restrict or be deemed to preclude you from disclosing truthful information to governmental authorities in response to any request for information you receive from them.

7. Miscellaneous.

   (a) The Parties agree that each has read and fully understands this Agreement and that the opportunity has been afforded to each Party to discuss the terms and contents of said Agreement with legal counsel and/or that such a discussion with legal counsel has occurred.

   (b) This Agreement shall be construed and governed by the laws of the State of Texas.

   (c) In the event that it shall be necessary for any Party to institute legal action to enforce, or for the breach of, any of the terms and conditions or provisions of this Agreement, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

   (d) All of the provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective current and future directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns.

   (e) This Agreement contains the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes and is in lieu of all prior and contemporaneous agreements, understandings, inducements and conditions, expressed or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. This Agreement may not be modified except in a writing signed by each of the Parties.

   (f) If one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

   (g) The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the transactions contemplated hereby.

   (h) This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute but one document.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

FRANCHISEE:

[_____]

By:_____
Name:_____
Title:_____

FRANCHISE OWNERS:

_____
Name:_____

_____
Name:_____

_____
Name:_____

EXHIBIT "E"-3

FRANCHISEE PARTICIPATION AND SOFTWARE LICENSE AGREEMENT

[See Attached]

FRANCHISEE PARTICIPATION AND SOFTWARE LICENSE AGREEMENT

This FRANCHISEE PARTICIPATION AND SOFTWARE LICENSE AGREEMENT ("**Agreement**") is entered into as of the date set forth on the signature page to this Agreement ("**Effective Date**") by and between GYMBOT, LLC ("**GYMBOT**"), the parent company that manufactures EXERBOTICS® equipment, and the undersigned business or individual ("**Franchisee**" or "**you**" or "**your**" as grammatically appropriate). GYMBOT and you are sometimes referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**".

PLEASE CAREFULLY READ THIS AGREEMENT. YOUR USE OF THE GYMBOT SERVICES (AS DEFINED BELOW) IS CONDITIONED UPON YOUR ACCEPTANCE OF THIS AGREEMENT WITHOUT MODIFICATION. IF YOU DO NOT AGREE TO THE TERMS SET FORTH IN THIS AGREEMENT, YOU MAY NOT ACCESS OR USE THE GYMBOT SERVICES AND YOUR EXERBOTICS® EQUIPMENT WILL NOT FUNCTION.

GYMBOT EXPRESSLY DISCLAIMS ANY RESPONSIBILITY TO PROVIDE OR MAINTAIN SERVICES FOR EXERBOTICS® EQUIPMENT IN LOCATIONS THAT ARE NOT COVERED BY THIS AGREEMENT OR FOR OWNERS, OPERATORS, OR LIENHOLDERS THAT ARE NOT PARTY TO THIS AGREEMENT.

BACKGROUND

A. The GYMBOT Services include a software suite and computer hardware that enable the operation of EXERBOTICS® strength training equipment.

B. The Exercise Coach USA, LLC ("**Franchisor**") has identified you as one of its franchisees or affiliates that is authorized to receive products and/or services from GYMBOT (together with the eIP System, the "**GYMBOT Services**") pursuant to a separate agreement between Franchisor and GYMBOT (the "**Master Agreement**"). For purposes of this Agreement, if you are an approved subscriber to the optional GYMBOT Tablet (as defined below) program, its system and attendant services shall be deemed a part of "GYMBOT Services" for the duration of such subscription.

C. Your eligibility to access and use the GYMBOT Services is expressly conditioned on your acceptance and ongoing compliance with the terms and conditions of: (i) this Agreement and (ii) any and all other agreements entered into by and between you and the Franchisor or any affiliate of the Franchisor.

AGREEMENT

NOW THEREFORE for good and valuable consideration the sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I. DEFINITIONS

For the purposes of this Agreement, the following capitalized terms shall have the meanings set forth for each of them below:

1. "**Aggregated Data**" means anonymized, aggregated data derived by or through the operation of the GYMBOT Services that is created by or on behalf of GYMBOT and that does not reveal any personally identifying information.

2. "**Confidential Information**" means (a) any software utilized by GYMBOT in the provision of the GYMBOT Services and its respective source code and (b) each Party's business or technical information, including but not limited to the Documentation (as defined below), information relating to software plans, designs, costs, prices and names, business opportunities, personnel, research, development or know-how that is designated by the disclosing Party as "confidential" or "proprietary" or the receiving Party knows or should reasonably know is confidential or proprietary.

3. "**Documentation**" means GYMBOT's online user guides, documentation, software specifications, and help and training materials, as may be updated by GYMBOT from time to time, and any other materials provided by GYMBOT as part of the GYMBOT Services.

4. "**End User**" means an individual or business that schedules services or purchases products and/or services from you using your GYMBOT Services account or otherwise interacts with you utilizing your GYMBOT Services account.

5. "**End User Data**" means data about an End User that is provided to GYMBOT through use of your GYMBOT Services account, whether through data importation or direct entry. End User Data includes cardholder data and such portions of Service Data that relate to a specific End User.

6. "**Effective Date**" means the date on which this Agreement becomes effective, as specified in Section 1 of Article IX below.

7. "**HIPAA**" means the United States Health Insurance Portability and Accountability Act.

8. "**GYMBOT Data**" means any data or information collected by GYMBOT independently and without access to, reference to or use of any of Service Data, including, without limitation, any data or information GYMBOT obtains about End Users through the future development of a mobile app (whether the same as Service Data or otherwise).

9. "**Privacy Policy**" means the GYMBOT Privacy Policy, as may be updated by GYMBOT from time to time.

10. "**Service Data**" means all data entered or stored by you on GYMBOT's host computer system using the GYMBOT Services. Service Data also includes End User data, such as demographic information and statistics derived from the use of the EXERBOTICS® strength training equipment.

11. "**Support Services**" means remote tech support for your eIP System and EXERBOTICS® strength equipment.

12. "**Third Party Offerings**" means any third-party products, applications, websites, implementations or services, including loyalty programs, that the GYMBOT Services link to, or that interoperate with or are used in conjunction with the GYMBOT Services.

ARTICLE II. SERVICE DATA

1. Service Data.

a. Ownership. GYMBOT owns all Service Data. You acknowledge that your right to access, use, copy, modify and/or delete the Service Data is ***expressly conditioned*** upon your acceptance and ongoing compliance with the terms and conditions of: (i) this Agreement, and (ii) any and all other agreements entered into between you and the Franchisor or any affiliate of Franchisor. You acknowledge that the revocation of the Service Data will cause your EXERBOTICS® equipment to be non-operational. You further acknowledge and agree that Franchisor may access, use, copy, modify and/or delete the Service Data, at its sole discretion and without notice to you. You must obtain permission from Franchisor in writing prior to granting any third-party access to the Service Data or providing any copies of the Service Data to any third party. You are solely responsible for resolving any dispute regarding ownership of Service Data between you and any third party, including Franchisor, and agree that GYMBOT shall have no obligation to be involved in any such dispute.

b. Unauthorized Disclosure. If either Party believes that there has been a disclosure of Service Data in a manner not authorized under this Agreement, such Party shall promptly notify the other Party. Additionally, each Party will reasonably assist the other Party in investigating, remediating, or mitigating any potential damage, including any notification which should be sent to individuals impacted or potentially impacted by such unauthorized disclosure.

2. GYMBOT Services.

a. Overview. Gymbot, LLC will provide, and when necessary, service or replace the necessary server hardware and software, (collectively, the "**eIP System**") required to operate the EXERBOTICS® strength equipment. This does not include the internet service or hardware that is required to provide internet connectivity to your facility, which you shall solely be responsible for maintaining yourself. GYMBOT will at all times maintain ownership and title of the entire eIP System at your location and reserves the right

to access, update, and copy data at any time, and you expressly grant us the right to enter upon your Franchisee location during normal business hours for such purpose. The eIP System shall not be relocated by you and is not transferable without the prior express written consent of GYMBOT, which may be withheld in its sole and absolute discretion. The eIP System shall be immediately surrendered by you and returned to GYMBOT's possession upon any termination or earlier cancellation of this Agreement or the Master Agreement for any reason. The eIP System will back up the End User's database on a regular basis and will update the software under the current platform. Our obligations under this Agreement are limited to the GYMBOT Services and eIP System and do not cover the parts or electronics of the EXERBOTICS® strength equipment itself.

b. **Support Services**. During the term of this Agreement GYMBOT will provide tiered remote support for all EXERBOTICS® strength equipment. Tier 0 Support consists of help materials that we have established to help you find solutions on your own without contacting one of our technical support representatives. Tier 1 Support consists of you working remotely with a Tier 1 specialist to resolve basic issues. Tier 2 Support consists of you working remotely with a Tier 2 specialist to diagnose and correct more complex technical challenges. Tier 3 Support consists of you working remotely with a Tier 3 specialist on issues that have yet to be encountered and may require you having to ship certain parts to us for replacement. All Support Services may require you to open the electronic component cover(s) and perform various forms of testing at the direction of the remote technician, which may include some guided mechanical work on your part. GYMBOT does not offer any form of on-site tech support services that do not require your participation.

You are responsible for providing support to your customers and prospective customers with their use of our software, website, and mobile apps. If questions or issues arise that you, your employees, or staff cannot solve with our help materials, you may submit a Support Ticket via the instructions found within our help materials.

c. **Your Obligations.** You are solely responsible for your use of the GYMBOT Services and compliance with this Agreement. Without limiting the foregoing, you shall: (i) have sole responsibility for the accuracy, quality, and legality of the Service Data and your collection and use of the Service Data; (ii) keep the Service Data confidential and not use it for any purpose other than to provide individualized advice and services to end-users of EXERBOTICS® strength training equipment (iii) prevent unauthorized access to, or use of, the GYMBOT Services, and notify GYMBOT promptly of any such unauthorized access or use; (iv) comply with all applicable laws when using the GYMBOT Services, including those related to data privacy and transmission of personal data, (v) have sole responsibility for obtaining, maintaining and paying for any hardware, telecommunications, Internet and other services needed to use the GYMBOT Services, (vi) comply with the Restrictions on Use set forth in subsection "d" below; (vii) ensure that every individual who uses the EXERBOTICS® strength equipment has first executed (a) a Release Agreement in a form previously approved by the Franchisor and (b) an End-User License Agreement (EULA) and Terms of Service (ToS) acknowledgement, which may be amended from time to time at the sole discretion of GYMBOT; (viii) ensure your EXERBOTICS® strength equipment remains in good working order by performing all necessary routine maintenance, procuring and installing any supplemental or ancillary hardware, and working with our technical support to troubleshoot and resolve any and all problems with functionality as described in subsection "b" above; and (ix maintain for the mutual benefit of Franchisee, Franchisor, and GYMBOT, comprehensive liability insurance against claims for personal injury, bodily injury, death and property damage occurring upon, in or about each of Franchisee's locations for the duration of this Agreement and in the amount prescribed by the Franchisor. A current certificate (in the form prescribed by Franchisor) of such insurance shall be furnished to GYMBOT and/or Franchisor at any time upon either party's request.

d. **Data Restrictions.** In addition to the License Restrictions contained in Article IV of this Agreement, you will not and will not allow any of your employees or staff to: (i) submit any infringing, obscene, defamatory, threatening, or otherwise unlawful or tortious material to the GYMBOT Services, including material that violates privacy rights; (ii) interfere with or disrupt the integrity or performance of the GYMBOT Services or the data contained therein; (iii) attempt to gain access to the GYMBOT Services or related systems or networks in a manner not permitted by this Agreement; (iv) post, transmit or otherwise make available through or in connection with the GYMBOT Services any virus, worm, Trojan horse,

Easter egg, time bomb, spyware or other harmful computer code, files, scripts agents or programs; (v) restrict or inhibit any other person or entity from using the GYMBOT Services, except as expressly allowed elsewhere in this Agreement; (vi) remove any copyright, trademark or other proprietary rights notice from the GYMBOT Services; (vii) frame or mirror any portion of the GYMBOT Services, or otherwise incorporate any portion of the GYMBOT Services into any product or service; (viii) systematically download and store GYMBOT Services content; (ix) use any robot, spider, site search/retrieval application or other manual or automatic device to retrieve, index, "scrape," "data mine" or otherwise gather GYMBOT Services content, or reproduce or circumvent the navigational structure or presentation of the GYMBOT Services.

e. **Use Restrictions.** In addition to the Data Restrictions above you will not and will not allow any of your employees or staff to: (i) use GYMBOT Services to deliver or allow exercise routines that deviate from Franchisor's brand standards; (ii) deliver or allow exercise routines in a manner that does not conform to Franchisor's standards; (iii) deliver or allow exercise routines to anyone other than with Exercise Coach clients, prospective clients, guests and employees (collectively, the "**End Users**"); (iv) coach End Users who have not met the requirements of the Franchisor, including but not limited to intake requirements, any required medical clearance forms, age requirements, etc.; (v) coach using the GYMBOT Services unless they are certified by the Franchisor (or in the process of becoming certified and working alongside a fully certified coach); (vi) allow End Users to use the EXERBOTICS® equipment unsupervised by a certified coach or unauthorized, meaning prior to having completed and signed the aforementioned waivers and EULA; (vii) charge End Users any fees associated with their use of Gymbot Services (including any functionality within mobile applications) other than those charges expressly allowed by Franchisor. You acknowledge that violations of Use Restrictions may result in temporary suspension of the GYMBOT Services and more than three (3) violations in any 12-month period shall be cause for termination of this Agreement without a cure period.

f. **HIPAA.** HIPAA imposes rules to protect certain personal health information or "PHI" as that term is defined under HIPAA. If you are subject to HIPAA, or if you become aware that you are subject to HIPPA during the term of this Agreement, you must notify GYMBOT and enter into a Business Associate Agreement ("**BAA**") in the form provided by GYMBOT, prior to accessing or using the Services. You are solely responsible for determining whether you are subject to HIPAA.

g. **Modifications to the GYMBOT Services.** GYMBOT may modify, add, or remove features, applications or functions to or from the GYMBOT Services, or to provide programming fixes, enhancements, updates and upgrades, to the software supporting delivery of the GYMBOT Services, with or without notice to you.

h. **Personal Information.** The Privacy Policy governs how GYMBOT collects and uses personal information that is submitted through the GYMBOT Services. By accessing or using the GYMBOT Services, you agree to that you have read and accept the current Privacy Policy.

i. **Third Party Offerings**. Although the GYMBOT Services may allow you to access or use Third Party Offerings, they are not "GYMBOT Services" under this Agreement and are not subject to any of the warranties, service commitments or other obligations with respect to GYMBOT Services hereunder. The availability of any Third Party Offerings through the GYMBOT Services does not imply GYMBOT's endorsement of or affiliation with the provider. GYMBOT does not control Third Party Offerings and will have no liability to you in connection with any Third Party Offerings. GYMBOT has no obligation to monitor or maintain Third Party Offerings, and may disable or restrict access to any Third Party Offerings at any time at its sole discretion. By using or enabling any Third Party Offering, you are expressly permitting GYMBOT to disclose Service Data or other information to the extent necessary to utilize the Third Party Offering. YOUR USE OF THIRD PARTY OFFERINGS IS AT YOUR OWN RISK AND IS SUBJECT TO ANY ADDITIONAL TERMS, CONDITIONS AND POLICIES APPLICABLE TO SUCH THIRD PARTY OFFERINGS (SUCH AS TERMS OF SERVICE OR PRIVACY POLICIES OF THE PROVIDERS OF SUCH THIRD PARTY OFFERINGS).

j. **GYMBOT Tablet; Additional Obligations and Restrictions**. In addition to the Franchisee obligations and restrictions regarding GYMBOT Services contained in subsections 2(c) and 2(d) above, if you are a

Franchisee who has subscribed and been approved for the GYMBOT Tablet program enabling your location's qualified coaches to remotely operate your EXERBOTICS® equipment (together with the GYMBOT-approved tablet device, related software and any firmware, the "**GYMBOT Tablet**"), you hereby agree to (i) restrict access to and use of the GYMBOT Tablet to staff members who have been certified and approved to use the GYMBOT Tablet by Franchisor, (ii) ensure that any of your coaches operating a GYMBOT Tablet to access GYMBOT Services do so only when such device is physically connected to a stand or other fixed connection point supplied or previously approved by Franchisor, and (iii) use your best efforts to ensure that any coaches accessing or operating the GYMBOT Tablet do so only (x) while physically in the same room as the client(s) being coached, (y) while in direct, line-of-sight with the client(s) being coached and free of visual obstruction, and (z) while actively and exclusively engaged in the coaching session with the client(s) being coached and free of distractions (e.g., cell phone calls, texting, etc.).

As part of your subscription and participation in the GYMBOT Tablet program, you further agree that you will not and will not allow any of your employees or staff to: (1) at any time allow any GYMBOT Tablet to be used or operated detached from its Franchisor-supplied or pre-approved stand or fixed connection point; (2) at any time allow any GYMBOT Tablet to copy, replicate, recreate, remove, port or transfer any part of the GYMBOT Tablet, GYMBOT Services, their software programs, or any portion of their source code from a GYMBOT Tablet to any other device or storage medium without the prior written consent of GYMBOT; or (3) without the prior written consent of GYMBOT, download, transfer, or install any third-party mobile applications, software programs, source code, content, or material onto a GYMBOT Tablet.

THE ADDITIONAL OBLIGATIONS AND RESTRICTIONS CONTAINED IN THIS SUBSECTION I ARE IMPERATIVE TO THE SAFETY AND EFFICACY OF THE GYMBOT TABLET PROGRAM AND THEREFORE ANY VIOLATION IS SUBJECT TO IMMEDIATE REVOCATION OF YOUR LICENSE TO USE THE GYMBOT TABLET TECHNOLOGY AND PARTICIPATE IN THE GYMBOT TABLET PROGRAM.

GYMBOT RESERVES THE RIGHT TO TERMINATE THE TABLET PROGRAM AT ANY TIME. IN SUCH AN EVENT, ALL OTHER PROVISIONS WITHIN THIS AGREEMENT SHALL SURVIVE.

k. **GYMBOT Tablet Opt-Out**. If you are a Franchisee participating in the GYMBOT Tablet program, you may voluntarily terminate your participation by providing Franchisor and GYMBOT with at least ninety (90) days written request by e-mail addressed to: support@exercisecoach.com.

Acceptance of your opt-out request by GYMBOT is not guaranteed and is conditioned upon Franchisor's prior approval.

ARTICLE III. FEES AND PAYMENT

1. **Gymbot Services Fees.** Fees for the subscribed GYMBOT Services (the "**GYMBOT Services Fees**") shall be $518.00 per month per Franchisee location, and shall commence upon the date you receive the GYMBOT Services at your franchised location. In the event that GYMBOT and the Franchisor negotiate a different rate in the future, you will be notified no less than 90 days before the new amount takes effect. Franchisees subscribing to and approved for the GYMBOT Tablet program will not incur any additional GYMBOT Services Fees for use of the GYMBOT Tablet through calendar year 2023. However, as a subscribing Franchisee, you acknowledge and agree that an additional fee of not greater than $49.00 per month may be added to and thereafter included as part of the monthly GYMBOT Services Fees beginning on January 1, 2024 through the duration of your GYMBOT Tablet program subscription. Should GYMBOT choose to discontinue the Tablet Program, Service Fees will be adjusted accordingly.

2. **Payment Terms.** All payment obligations under this Agreement are non-cancelable and all fees paid are non-refundable. You will provide GYMBOT with a valid and updated ACH Form or another form of payment acceptable to GYMBOT. If you provide banking information, you represent that you are authorized to use the account and you authorize GYMBOT to charge the account for all payments hereunder. By submitting payment information, you authorize GYMBOT to provide that information to

third parties for purposes of facilitating payment. You agree to verify any information requested by GYMBOT for purposes of acknowledging or completing any payment.

3. **Overdue Charges.** Any amounts not received by the applicable due date may accrue late interest at 1.5% of the outstanding balance per month, or the maximum interest permitted by applicable law, whichever is less, plus costs of collection. Any amount not received by GYMBOT within thirty (30) days after the applicable due date will be deemed a material default under this Agreement, and GYMBOT will be entitled to either suspend the GYMBOT Services or terminate the Agreement.

4. **Payment Errors.** If you believe a payment has been processed in error, you must provide written notice to GYMBOT within thirty (30) days after the date of payment specifying the nature of the error and the amount in dispute. If notice is not received by GYMBOT within such thirty (30) day period, the payment will be deemed final.

5. **Taxes.** Fees do not include any taxes, levies, duties or similar governmental assessments of any nature, including, for example, value-added, sales, use or withholding taxes, assessable by any jurisdiction (collectively, "**Taxes**"). You are responsible for paying all Taxes associated with purchases and transactions under this Agreement, whether or not we collect them at the time of payment. If we are required to collect taxes for any applicable jurisdiction, you are required to pay us directly and we will remit to the appropriate taxing authority.

ARTICLE IV. PROPRIETARY RIGHTS

1. **GYMBOT Intellectual Property.** GYMBOT owns all right, title and interest in and to the GYMBOT Services, GYMBOT Data and Aggregated Data. Subject to the limited rights expressly granted hereunder, GYMBOT reserves all rights, title and interest in and to the GYMBOT Services and Documentation, including all related intellectual property rights.

2. **Limited License Grant.** Provided that you are not in breach of any of the terms of this Agreement or Master Agreement, GYMBOT hereby grants you a limited, revocable, non-exclusive, non-transferable, non-sublicenseable, right to use the GYMBOT Services and Documentation, within the Protected Territory (as defined below) only, and solely for your internal business purposes during the term of this Agreement, and subject to your continued performance under its terms (the "**Software License**").

3. **License Restrictions.** You will not, directly or indirectly: (a) modify, copy or create any derivative works based on the GYMBOT Services; (b) license, sublicense, sell, resell, rent, lease, transfer, assign, distribute, time share, offer in a service bureau, or otherwise make the GYMBOT Services available to any third party, other than End Users as permitted herein; (c) reverse engineer or decompile any portion of the GYMBOT Services, including but not limited to, any software or source code utilized by GYMBOT in the provision of the GYMBOT Services; (d) access or use (or allow a third party to access or use) the GYMBOT Services for competitive analysis or to build any competing products or services; (e) copy any features, functions, integrations, interfaces or graphics of the GYMBOT Services; or (f) otherwise use or exploit the GYMBOT Services in any manner not expressly permitted by this Agreement.

ARTICLE V. CONFIDENTIAL INFORMATION

A Party will not disclose or use any Confidential Information of the other Party except: (a) as reasonably necessary to perform its obligations or exercise any rights granted pursuant to this Agreement; (b) with the other Party's prior written permission; or (c) to the extent required by law or order of a court or other governmental authority or regulation. Each Party agrees to protect the other Party's Confidential Information in the same manner that it protects its own Confidential Information of like kind, but in no event using less than a commercially reasonable standard of care. Confidential Information will not include any information that: (a) is or becomes generally known to the public without breach of any obligation owed to the disclosing Party; (b) was known to a Party prior to its disclosure by the other Party without breach of any obligation owed to the other Party; (c) was independently developed by a Party without breach of any obligation owed to the other Party; or (d) was or is received from a third party without breach of any obligation owed to the other Party. For

clarity, nothing in this Section will restrict GYMBOT with respect to GYMBOT Data or Aggregated Data.

ARTICLE VI. DISCLAIMER OF WARRANTIES

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, GYMBOT MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE GYMBOT SERVICES AND/OR RELATED DOCUMENTATION. GYMBOT DOES NOT WARRANT THAT YOUR USE OF THE GYMBOT SERVICES WILL BE SECURE, TIMELY, ERROR-FREE OR UNINTERRUPTED, OR THAT THE GYMBOT SERVICES ARE OR WILL REMAIN UPDATED, COMPLETE OR CORRECT, OR THAT THE GYMBOT SERVICES WILL MEET YOUR REQUIREMENTS OR THAT THE SYSTEMS THAT MAKE THE GYMBOT SERVICES AVAILABLE (INCLUDING WITHOUT LIMITATION THE INTERNET, OTHER TRANSMISSION NETWORKS, AND YOUR LOCAL NETWORK AND EQUIPMENT) WILL BE UNINTERRUPTED OR FREE FROM VIRUSES OR OTHER HARMFUL COMPONENTS. THE GYMBOT SERVICES AND ANY OTHER PRODUCTS AND THIRD PARTY MATERIALS ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS AND SOLELY FOR YOUR USE IN ACCORDANCE WITH THIS AGREEMENT. ALL DISCLAIMERS OF ANY KIND (INCLUDING IN THIS SECTION AND ELSEWHERE IN THIS AGREEMENT) ARE MADE ON BEHALF OF BOTH GYMBOT AND ITS AFFILIATES AND THEIR RESPECTIVE SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, AGENTS, REPRESENTATIVES, CONTRACTORS, LICENSORS, SUPPLIERS AND SERVICE PROVIDERS (COLLECTIVELY, THE "**GYMBOT PARTIES**").

ARTICLE VII. LIMITATION OF LIABILITY

TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT WILL THE GYMBOT PARTIES' AGGREGATE LIABILITY, COLLECTIVELY, FOR ALL CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE, EXCEED THE SUBSCRIPTION FEES ACTUALLY PAID BY YOU APPLICABLE TO YOUR GYMBOT SERVICES ACCOUNT DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THE INCIDENT. ALL LIMITATIONS OF LIABILITY OF ANY KIND (INCLUDING IN THIS SECTION AND ELSEWHERE IN THIS AGREEMENT) APPLY WITH RESPECT TO BOTH GYMBOT AND THE GYMBOT PARTIES.

IN NO EVENT WILL ANY GYMBOT PARTIES HAVE ANY LIABILITY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, HOWEVER CAUSED, OR FOR ANY LOST PROFITS, LOSS OF USE, DATA OR OPPORTUNITIES, COST OF DATA RECONSTRUCTION, COST OR PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, WHETHER IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THE SERVICES OR THIRD PARTY OFFERINGS, INCLUDING BUT NOT LIMITED TO THE USE OR INABILITY TO USE THE SERVICES, ANY INTERRUPTION, INACCURACY, ERROR OR OMISSION, EVEN IF GYMBOT, THE GYMBOT PARTIES, THEIR LICENSORS OR SUBCONTRACTORS HAVE BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES.

THE FOREGOING EXCLUSIONS OR LIMITATIONS MAY NOT APPLY TO THE EXTENT PROHIBITED BY APPLICABLE LAW.

ARTICLE VIII. INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless Franchisor and the GYMBOT Parties from and against any and all third party claims alleged or asserted against any of them, and all related charges, injury, damages, losses, liabilities, and expenses (including, but not limited to, reasonable attorneys' fees and costs) arising from or relating to: (a) any actual or alleged breach by you or any End User of any provisions of this Agreement; (b) any actual or alleged violation by you or any End User of the intellectual property, privacy or other rights of a third party; (c) any dispute between you and any other party, including without limitation Franchisor, regarding

ownership of or access to the Service Data, and (d) any claims arising out a the use of EXERBOTICS® strength equipment, including without limitation claims of any kind for or relating to personal injury, wrongful death, or property damage or loss.

ARTICLE IX. TERM AND TERMINATION

1. **Effective Date**. If you are a first-time user of the GYMBOT Services, the Effective Date shall be the date on which you accept this Agreement (either digitally or by signing and delivering a copy of this Agreement to GYMBOT). If you have been provided with access to and/or use of the GYMBOT Services prior to the date on which this Agreement is presented to you for your review and acceptance, then by accepting this Agreement, you are also agreeing that the Effective Date shall be deemed to be the date on which you first accessed or used the GYMBOT Services.

2. **Term.** The term of this Agreement shall commence on the Effective Date, and continue until the earlier of: (a) the expiration or termination of the franchise agreement between you and the Franchisor; (b) the termination of any other agreement between you and the Franchisor or the termination of any agreement between you and an affiliate of the Franchisor; (c) the expiration or termination of the Master Agreement; or (d) the date that either Party terminates this Agreement for cause in accordance with Section 3 of this Article.

3. **Termination for Cause.** In the event of a material breach of this Agreement by either Party, the other Party shall have the right to terminate this Agreement, if the breaching Party fails to remedy such breach within thirty (30) days of its receipt of written notice of such breach from the other Party. Without limiting the foregoing, or any other remedies, GYMBOT may immediately limit, suspend, or terminate your use of the GYMBOT Services immediately and without notice to you, (a) upon Franchisor's instruction, (b) if GYMBOT believes that you are breaching any provision of this Agreement, including without limitation Franchisee's obligations under Section 2(c through e) , (c) if GYMBOT is required to do so by applicable law, or (d) if GYMBOT or Franchisor, at their sole discretion, believes there to be a safety or security concern at your location.

4. **Survival** The Parties' rights and obligations pertaining to Service Data, Proprietary Rights, Confidential Information, Disclaimer of Warranties, Limitation of Liability, Indemnification, Term and Termination and all of Article XI shall survive any expiration or termination of this Agreement, howsoever occurring.

ARTICLE X. NEGATIVE COVENANTS/EXCLUSIVITY.

1. **Overview.** During the Term of this Agreement, GYMBOT agrees that it shall not sell any Exclusive Isokinetic Equipment to a Commercial Fitness Retailer within the Protected Territory as each are defined below. The restrictions and covenants imposed on GYMBOT under this Article X shall not apply with respect to the sale of any Exclusive Isokinetic Equipment:

   (i) to a Commercial Fitness Retailer, regardless of the location of such Commercial Fitness Retailer's facility, that takes place prior to our determination of the boundaries of the "Territory" under your Exercise Coach Franchise Agreement or the boundaries of the "Development Territory" under your Exercise Coach Area Development Agreement, as applicable; or

   (ii) to a Commercial Fitness Retailer for a facility that (a) is located outside of the original Territory under your Exercise Coach Franchise Agreement and (b) is located within the boundaries of any modified Territory that Franchisor grants to you under your Exercise Coach Franchise Agreement as a result of an approved relocation of your Exercise Coach personal training studio or personal training suite.

2. **Exclusive Isokinetic Equipment.** Exclusive Isokinetic Equipment is strictly limited to the EXERBOTICS® equipment line and commonly known as: (i) EXERBOTICS® Chestpress/Row, (ii) EXERBOTICS® Nucleus, (iii) EXERBOTICS® CrossFire, (iv) EXERBOTICS® Shoulder Press/Pulldown, (v) EXERBOTICS® Seated Leg Curl, and (vi) EXERBOTICS® Leg Press.

3. **Commercial Fitness Retailer**. For the purposes of this Agreement, a "**Commercial Fitness Retailer**" is defined as a fitness facility that derives over half of its annual gross revenue from (a) offering to the general public, the use of a facility and its exercise equipment, and/or (b) personal (exercise) training services, including one-on-one, small group, and large group training formats. Notwithstanding the foregoing, under no circumstances shall "personal (exercise) training" include exercise services that are required in any manner whatsoever to be overseen, supervised or delivered by a licensed or otherwise credentialed healthcare professional who specializes in the prevention, diagnosis or treatment of diseases, injuries, or other disorders and does not otherwise meet the criteria of subsections "a" and "b" described herein. Further, for purposes of clarity, facilities that are expressly excluded from the definition of Commercial Fitness Retailer include, but are not limited to physical therapy clinics, medical facilities, senior living communities, corporate wellness centers, and other similar types of establishments.

4. **Protected Territory.** For the purpose of this Agreement, "**Protected Territory**" shall mean, as applicable: (a) the Territory granted to you pursuant to the Exercise Coach Franchise Agreement between you and the Franchisor for the establishment of your Exercise Coach location; and/or (b) the Development Territory granted to you pursuant to any Exercise Coach® Area Development Agreement between you and the Franchisor for the development and operation of multiple Exercise Coach® franchised locations.

ARTICLE XI. MISCELLANEOUS

1. **Mandatory Informal Dispute Resolution.** If you have any dispute with GYMBOT arising out of or relating to this Agreement, you agree to notify GYMBOT in writing with a brief, written description of the dispute and your contact information, and GYMBOT will have thirty (30) days from the date of receipt within which to attempt resolve the dispute to your reasonable satisfaction. If the Parties are unable to resolve the dispute through good faith negotiations over such thirty (30) day period under this informal process, either Party may pursue resolution of the dispute in accordance with the arbitration agreement below.

2. **Governing Law.** This Agreement will be governed by and interpreted in accordance with the internal laws of the State of Texas without regard to conflicts of laws principles. The U.N. Convention on the International Sale of Goods will not apply.

3. **Arbitration Agreement.** ALL DISPUTES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY ASPECT OF THE RELATIONSHIP BETWEEN YOU AND GYMBOT, WHETHER BASED IN CONTRACT, TORT, STATUTE, FRAUD, MISREPRESENTATION OR ANY OTHER LEGAL THEORY, THAT ARE NOT RESOLVED PURSUANT TO SUBSECTION 1 ABOVE WILL BE RESOLVED THROUGH FINAL AND BINDING ARBITRATION BEFORE A NEUTRAL ARBITRATOR INSTEAD OF IN A COURT BY A JUDGE OR JURY, AND GYMBOT AND YOU EACH HEREBY WAIVE THE RIGHT TO TRIAL BY A JURY. YOU AGREE THAT ANY ARBITRATION UNDER THIS AGREEMENT WILL TAKE PLACE ON AN INDIVIDUAL BASIS; CLASS ARBITRATIONS AND CLASS ACTIONS ARE NOT PERMITTED AND YOU ARE AGREEING TO GIVE UP THE ABILITY TO PARTICIPATE IN A CLASS ACTION. The arbitration will be administered by the American Arbitration Association under its Commercial Arbitration Rules and Mediation Procedures (currently accessible at www.adr.org/aaa/faces/rules/searchrules/rulesdetail?doc=ADRSTG_004130) as amended by this Agreement. Any arbitration hearing will be held in Montgomery County, TX. The applicable governing law will be as set forth in Article XI, Section 2 above (provided that with respect to arbitrability issues, federal arbitration law will govern). The arbitrator's decision will follow the terms of this Agreement and will be final and binding. The arbitrator will have authority to award temporary, interim or permanent injunctive relief or relief providing for specific performance of this Agreement, but only to the extent necessary to provide relief warranted by the individual claim before the arbitrator. The award rendered by the arbitrator may be confirmed and enforced in any court having jurisdiction thereof.

4. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to its subject matter, and supersedes all prior and contemporaneous agreements, proposals or representations, written or oral, concerning its subject matter. Without limiting the foregoing, you acknowledge that you are not a party to or intended beneficiary of the Master Agreement and have no rights under that agreement.

5. **Waiver and Severability**. No waiver of any provision of this Agreement by GYMBOT will be effective unless in writing and signed by GYMBOT. No waiver by either Party of any breach or default hereunder will be deemed to be a waiver of any preceding or subsequent breach or default. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the provision will be modified by the court and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by law, and the remaining provisions of this Agreement will remain in effect.

6. **Assignment.** GYMBOT may assign, delegate, or transfer this Agreement, in whole or in part, in its sole discretion, without your notice or consent. You may not assign, delegate or transfer this Agreement in whole or in part, without GYMBOT's prior written consent.

7. **Relationship.** The Parties are independent contractors. Nothing in this Agreement shall constitute a joint venture, partnership, or agency relationship between GYMBOT and you, or authorize either Party to make any representation on behalf of or in any way to bind the other Party to any obligation of any kind, express or implied, to any third party, or to incur any liability on behalf of the other Party.

8. **Amendments.** GYMBOT may, in its sole discretion, supplement or modify this Agreement upon written notice to you. Any new or modified version of this Agreement will be effective upon the earlier of your acceptance of those terms or your continued use of the GYMBOT Services following delivery of notification of such change. If you do not agree to be bound by any such changes to this Agreement, your sole and exclusive remedy is to immediately stop all use of the GYMBOT Services. Any other modifications to this Agreement must be in writing and executed by duly authorized representatives of each of the Parties. Notwithstanding the foregoing, Franchisees currently participating in the GYMBOT Tablet program who do not accept or are otherwise unable to fully comply with any amendment or modification to Article II, Section 2(h) of this Agreement, shall (a) within five (5) days of receiving notice of the new or modified version of Article II, Section 2(h) notify Franchisor in writing of their non-acceptance or inability to comply with such version, and (b) immediately cease all access, use, or operation of any GYMBOT Tablet and related equipment in the control and possession of Franchisee. Notwithstanding, amendments and modifications to the EULA and ToS may be made at our sole discretion without written notice.

9. **Force Majeure.** Neither Party will be liable for any failure or delay in performance under this Agreement (other than for delay in your obligation to make payment of money due and payable under the terms of this Agreement) for causes beyond that Party's reasonable control and occurring without that Party's fault or negligence, including, but not limited to, acts of God, acts of government, flood, fire, civil unrest, acts of terror, strikes or other labor problems (other than those involving GYMBOT or your employees, respectively), computer attacks (by government/nation entities or otherwise) or malicious acts, such as attacks on or through the Internet, any Internet service provider, telecommunications or hosting facility. Dates by which performance obligations are scheduled to be met will be extended for a period of time equal to the time lost due to any delay so caused.

WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

Franchisee	**GYMBOT, LLC**
_____	_____
Signature	Signature
_____	_____
Printed Name	Printed Name
_____	_____
Title	Title
_____	
Effective Date	

Facility Address

_____

_____

EXHIBIT "E"-4

FRANCHISE RESALE AGREEMENT

[See Attached]

FRANCHISE RESALE AGREEMENT

This Franchise Resale Agreement (the "Agreement") is entered into as of [_____], 202[__] (the "Effective Date") between Exercise Coach USA, LLC, an Illinois limited liability company ("we" or "us") and [_____], a(n) [_____] ("you" and together with us, the "Parties").

BACKGROUND

A. On [_____], 202[__], the Parties entered into a(n) The Exercise Coach Franchise Agreement (the "Franchise Agreement"), pursuant to which we granted you the right, license and obligation to develop, open and operate a(n) THE EXERCISE COACH® studio located at [_____] (your "Studio").

B. You have notified us that you desire to sell the Studio and you have requested our assistance in effectuating the sale and transfer of the Studio.

C. We have agreed to assist you in your efforts to sell the Studio subject to the terms and conditions set forth in this Agreement.

AGREEMENT

1. **Background Recitals**. The statements made in the Recitals above are true and accurate and are incorporated herein.

2. **Defined Terms**. Any capitalized term that is not defined herein shall have the meaning ascribed to it in the Franchise Agreement.

3. **Term**. The term of this Agreement (the "Term") begins on the Effective Date and expires on [the expiration or earlier termination of the current term of the Franchise Agreement] [_____, 202__]. If the Parties renew the term of the Franchise Agreement, then the Parties may (but need not) renew the Term of this Agreement upon mutually agreeable terms and conditions.

4. **Engagement**. You hereby engage us to provide franchise brokerage services during the Term on a non-exclusive basis. We hereby accept the engagement and agree to assist you in your efforts to: (a) locate one or more qualified buyers for your Studio; and (b) sell your Studio to a qualified buyer that we approve as meeting our minimum qualifications and eligibility requirements for a franchisee. You agree that we may offer (and publicly list) your Studio for sale at any price equal to or greater than $[_____].

5. **Sales Assistance**. During the Term, we agree to provide reasonable assistance in connection with your efforts to sell your Studio. We will utilize our current franchise recruiting system and our internal and external franchise sales network (our "Franchise Recruitment Program") in an effort to identify qualified candidates to purchase your Studio. We shall pre-qualify all leads to ensure they meet our minimum qualifications and eligibility requirements for franchisees. We do not represent or guaranty that our efforts to identify a qualified buyer willing to purchase your Studio will be successful. Under no circumstances will we have any liability to you based on the services we render pursuant to this Agreement.

6. **Your Obligations**. We will expend valuable time and resources attempting to market and sell your Studio. For this reason, you may not refuse any purchase offer that we present to you for a purchase price of at least $[_____]. However, you will have an opportunity to negotiate a higher price after we introduce the potential buyer to you. You agree to cooperate with us in good faith and provide all reasonable assistance and information we request in order to effectuate the purposes of this Agreement and facilitate the sale of your Studio. You agree to promptly provide all potential buyers with full access to your books and records for due diligence purposes. Throughout the Term, you agree to remain in full compliance with all terms of the Franchise Agreement. You understand that all terms in the Franchise Agreement governing transfer of your Studio (including payment of the transfer fee) shall apply to any sale of your Studio notwithstanding the execution of this Agreement.

7. **Purchase Agreement**. We assume no responsibility for preparing or negotiating the asset or stock purchase agreement between you and the buyer. You and the buyer are solely responsible for preparing and negotiating the asset or stock purchase agreement pursuant to which you will transfer ownership of your Studio to the buyer.

8. **Fees and Costs**. If you sell your Studio to a buyer solicited through our Franchise Recruitment Program, then you agree to reimburse us for all referral fees, commissions and other compensation we must pay to any of our employees or independent contractors and/or any third-party broker, referral agent, sales agent, development agent or lead generation source in connection with the sale of your Studio ("Sales Commissions"). You agree to pay us the Sales Commissions in one lump sum concurrently with the closing of the sale of your Studio to the buyer. The Sales Commissions shall be in addition to any transfer fee imposed under the Franchise Agreement.

9. **Indemnification**. Your indemnification obligation under the Franchise Agreement shall extend to and apply with respect to any damages we incur as a result of or in connection with: (a) your breach of this Agreement; or (b) your discussions, negotiations or relationship with potential buyers solicited through the Franchise Recruitment Program, including your breach of any agreement between you and such buyer.

10. **No Liability**. You hereby agree to hold harmless, and not assert any claims against, us, our affiliates, any of our (or our affiliates') owners, officers, employees or other representatives, or any member of our Franchise Recruitment Program, in connection with any dispute or disagreement between you and any prospective or actual buyer of your Studio.

11. **Default & Termination**. If you breach any obligation under this Agreement and fail to cure the breach within 10 days after notice from us, we may immediately terminate this Agreement upon notice to you and pursue any and all remedies available to us under this Agreement, the Franchise Agreement, at law or in equity. Your default under this Agreement constitutes a default under the Franchise Agreement. Similarly, your default under the Franchise Agreement constitutes a default under this Agreement.

12. **Effect of Expiration or Termination**. Upon expiration of the Term, we have no further responsibility or obligation to assist you with the sale of your Studio unless otherwise agreed to by both Parties in writing. If, following the expiration or termination of this Agreement, you sell your Studio to any person who was initially solicited through our Franchise Recruitment Program during the Term of this Agreement, then you agree to pay us the Sales Commissions in §8 notwithstanding the prior termination or expiration of this Agreement.

13. **Prepaid Liabilities; Surety Bond**. As a condition to closing any sale of the Studio, Seller shall, in a manner satisfactory to Franchisor: (a) pay Buyer an amount equal to the total amount of outstanding Prepaid Liabilities as of closing; or (b) transfer to Buyer, or otherwise maintain for Buyer's and the affected clients' benefit, the surety bond or other financial assurance required under the Franchise Agreement, together with any endorsements, rider changes, or replacement security necessary to keep such protection in force after closing. No such payment, transfer, or continued maintenance releases Seller or its Owners from liability for any Prepaid Liabilities or other obligations arising before closing unless Franchisor expressly agrees otherwise in writing.

14. **Miscellaneous**.

    (a) No Waiver. By executing this Agreement, we shall not be deemed to have: (a) waived or impaired any right, power or option granted to us under the Franchise Agreement; or (b) waived or consented to any default or breach by you under the Franchise Agreement.

    (b) Effect on Franchise Agreement. All terms, conditions, covenants and representations set forth in the Franchise Agreement shall remain in full force and effect during the Term of this Agreement.

    (c) Binding Nature. This Agreement shall be binding upon the Parties hereto and their respective heirs, personal representatives, successors and assigns.

    (d) Time of Essence. Time is of the essence in this Agreement and every term thereof.

(e) Headings. The headings in this Agreement are for convenience only and are not to be construed as a part of this Agreement or in any way defining, limiting or amplifying the provisions hereof.

(f) Governing Law. This Agreement shall be governed by, construed and enforced under the laws of the State of Texas.

(g) Dispute Resolution. Any dispute between the Parties relating to this Agreement shall be resolved in accordance with the dispute resolution procedures set forth in the Franchise Agreement, all of which are incorporated herein by this reference.

(h) Entire Agreement; Modification. This Agreement constitutes the entire agreement and understanding between the Parties regarding the subject matter hereof. This Agreement may not be modified except in a writing signed by both Parties.

(i) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document.

The Parties have executed this Agreement effective as of the Effective Date first above written.

"FRANCHISOR"

Exercise Coach USA, LLC

By:_____
Name:_____
Title:_____

"FRANCHISEE"

[_____]

By:_____
Name:_____
Title:_____

EXHIBIT "F"

TO DISCLOSURE DOCUMENT

TABLE OF CONTENTS OF BRAND STANDARDS MANUAL

1.	Introduction to Site Selection, Real Estate and Pre-Opening Timeline	40 pp.
2.	Fitness Training and Certification (87 min video)	134 pp.
3.	Operational and Business Management Processes	94 pp.
4.	Operational Forms and Requirements	42 pp.
5.	Marketing and Promotions Training (18 min video)	39 pp
6.	Nutritional Training + Video (56 min video)	107 pp

EXHIBIT "G"

TO DISCLOSURE DOCUMENT

LIST OF FRANCHISEES

Part A (Current Franchisees)

The following table lists franchisees that were open as of December 31, 2025.

Outlets That Were Open as of December 31, 2025				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
Alabama	Huntsville	1015 Airport Road, Suite 203 Huntsville, Alabama 35802	256-870-2800	Tom Palmisano
Alabama	Madison	7169 Hwy 72 W, Suite E Madison, Alabama 35758	256-464-2553	Tom Palmisano
Arizona	Gilbert	1166 S Gilbert Road, Suite #104 Gilbert, Arizona 85296	480-550-8383	Dwight Lavender
Arizona	Glendale	18275 N 59th Ave Suite N182 Glendale, Arizona 85308	623-227-0080	Mike Hayman Tom Hayman
Arizona	Mesa	4711 E. Falcon Drive, Suite #122 Mesa, Arizona 85215	480-716-6080	Cheryl Campbell
Arizona	Phoenix	5040 East Shea Blvd, Suite #156 Phoenix, Arizona 85254	480-590-4845	Bill Cherry
Arizona	Phoenix	4626 N 16th Street, Suite #103 Phoenix, Arizona 85016	602-926-2996	Julie Moeller Timo Moeller
Arizona	Scottsdale	10101 E. Bell Road, Suite A-113 Scottsdale, Arizona 85260	480-473-5764	Danielle Munson
Arizona	Scottsdale	8300 North Hayden Road, Suite E-106 Scottsdale, Arizona 85258	480-625-3662	Danielle Munson
Arizona	Tempe	51 W. Elliott Rd. Suite #111 Tempe, Arizona 85284	480-432-9700	Cheryl Campbell
Arkansas	Bentonville	812 SW Raintree, Suite #22 Bentonville, Arkansas 72712	479-319-3539	Felicia Sawyers
Arkansas	Little Rock	1400 Kirk Road, Suite #130 Little Rock, Arkansas 72223	501-500-6880	David Johnson, Jr.
California	Carlsbad	2610 El Camino Real, Suite B Carlsbad, California 92008	760-494-1146	Dave Liu Alex Liu
California	Claremont	578 East Baseline Claremont, California 91711	626-788-2360	Jennifer Smith
California	Encinitas	1343 Encinitas Blvd Encinitas, California 92024	760-274-8095	Dave Liu Alex Liu
California	Folsom	1012 E. Bidwell St., Suite C500 Folsom, California 95630	916-292-7979	Prakash Eswaran
California	Fremont	43430 Mission Blvd., Suite #240 Fremont, California 94539	510-400-6838	Siddhartha Dayal
California	Glendora	1395 S. Grand Ave., Suite #130 Glendora, California 91740	626-788-1015	Celia Barron & Dan Rodriguez
California	La Jolla	7580 Fay Ave., Suite #100 La Jolla, California 92037	619-713-9090	David Fernandez Sanchez
California	Livermore	1410 Concannon Blvd Livermore, California 94550	925-800-3500	Michelle Setchell Jack Setchell
California	Los Angeles	4333 Lankershim Blvd. Los Angeles, California 91602	323-968-0305	Cody Farley Jennifer Farley
California	Mountain View	1762 Miramonte Ave. Mountain View, California 94040	650-203-2493	Shawn Chou Linda Cheng
California	Newport Beach	2 Corporate Plaza, Suite #230 Newport Beach, California 92660	949-994-9001	Izabela Webber

Outlets That Were Open as of December 31, 2025				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
California	Norco	1825 Hammer Ave. Suite Q Norco, California 92860	951-336-1195	Gaurav Gombar Roopam Gombar
California	Pleasanton	3958 Valley Ave., Suite A Pleasanton, California 94566	925-621-8511	Michelle Setchell Jack Setchell
California	Rocklin	6632 Lonetree Blvd. Suite #500 Rocklin, California 95765	916-252-2896	Aron Houston Rowena Houston
California	San Diego	16935 W. Bernardo Dr., Suite #135 San Diego, California 92127	858-217-5644	David Fernandez Sanchez [1]
California	San Diego	9820 Willow Creek Rd., Suite #103 San Diego, California 92131	858-673-1777	Tracy Ashcraft
California	San Diego	5030 Camino de la Siesta Suite #304 San Diego, California 92108	619-456-0888	David Fernandez
California	San Jose	6055 Meridian Ave. Suite #60 San Jose, California 95120	408-212-7878	Fariba Beheshti Masoud Fattahi
California	San Jose	1702 Meridian Ave. Suite F San Jose, California 95125	669-305-7272	Fariba Beheshti Masoud Fattahi
California	San Juan Capistrano	31401 Rancho Viejo Rd., Suite #102 San Juan Capistrano, California 92675	949-482-4442	Andrea Gow Ed Gow
California	San Marino	2650 Mission St., Suite #105 San Marino, California 91108	626-514-2420	Adam Herrera Raquel Herrera
California	San Ramon	3180 Crow Canyon Pl., Suite 3105 San Ramon, California 94583	925-378-5941	Jennifer Ringenberg Mark Heavey
California	Sausalito	1 Gate 6 Rd. Suite D Sausalito, California 94965	415-963-4560	Mark Caragio Keith Castillo
California	Temecula	41789 Nicole Ln. Suite B7 Temecula, California 92591	951-419-4119	Ederlyn Roberts Brian Roberts
Colorado	Aurora	24291 E. Orchard Rd. Unit VR-15D Aurora, Colorado 80016	720-613-0373	Nathan Cleveringa
Colorado	Broomfield	3700 W. 144th Avenue, Suite #D700 Broomfield, Colorado 80023	720-902-5900	Jaala Knowlton
Colorado	Castle Rock	3855 Ambrosia St. Suite #202 Castle Rock, Colorado 80109	303-285-9955	Mark Sifrit Shelli Sifrit[1]
Colorado	Colorado Springs	9475 Briar Village Point, Ste. 110 Colorado Springs, Colorado 80920	719-602-7649	Johnathon Suazo Bekah Walrod Grant Walrod [1]
Colorado	Littleton	6901 S. Pierce Street, Suite #301 Littleton, Colorado 80128	720-828-7353	Kyle Gardiner
Colorado	Louisville	1075 E South Boulder Suite #100 Louisville, Colorado 80027	720-619-6922	Leo V. Rodriguez
Colorado	Parker	19878 E. Hilltop Rd., Suite #103 Parker, Colorado 80134	720-399-0788	Mark Sifrit Shelli Sifrit[1]
Connecticut	Groton	428 Long Hill Rd., Suite #205 Groton, Connecticut 06340	860-785-6450	David Roden
Delaware	Lewes	1537 Savannah Road Suite C Lewes, Delaware 19958	302-703-1022	Ronald Jay Milligan Jr.
Delaware	Rehoboth Beach	19801 Coastal Highway, Suite 2A Rehoboth Beach, Delaware 19971	302-205-0200	Ronald Jay Milligan Jr.
District of Columbia	Washington	3333 Connecticut Ave., Suite #105 Washington, DC 20008	202-792-2886	Kirsten Denny
Florida	Boca Raton	600 South Dixie Highway, Suite 202 Boca Raton, Florida 33432	561-288-8788	Bill Sharkey Mary Ann Sharkey
Florida	Coral Springs	1945 N. University Drive Coral Springs, Florida 33071	754-702-7075	Alex Duran

Outlets That Were Open as of December 31, 2025				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
Florida	Davie	5609 South University Drive Davie, Florida 33328	754-732-1818	Liliane London Pedro Faraco
Florida	Dunedin	924 Curlew Road, Unit 101 Dunedin, Florida 34698	727-228-0470	Kristina Kovarik
Florida	Fort Lauderdale	1125 East Sunrise Blvd., The Satori Shoppes Fort Lauderdale, Florida 33304	954-516-7236	Alex Duran
Florida	Jacksonville	6100 Greenland Rd., Suite #802 Jacksonville, Florida 32258	904-650-2425	Charles Repak Denise Repak
Florida	Jupiter	615 N. Orange Ave., Suite #3 Jupiter, Florida 33458	561-295-1616	Bill Sharkey Mary Ann Sharkey[1]
Florida	Lake Mary	809 Rinehart Rd. Lake Mary, Florida 32746	407-794-7338	Bill Sharkey Mary Ann Sharkey[1]
Florida	Lakewood Ranch	9122 Town Center Pkwy, Suite #102 Lakewood Ranch, Florida 34202	941-538-5600	Casio Jones
Florida	Melbourne	7720 North Wickham Road, Suite #103 Melbourne, Florida 32940	321-325-3222	Allison Lynn David Lynn
Florida	Naples	9331 Tamiami Trail N., Suite 21 Naples, Florida 34108	239-592-6224	Thomas Wooden [1]
Florida	Naples	2669 Davis Blvd., Suite #102 Naples, Florida 34104	239-331-7211	Thomas Wooden [1]
Florida	North Palm Beach	1220 US Hwy 1, Unit D North Palm Beach, Florida 33408	561-272-6111	Bill Sharkey Mary Ann Sharkey[1]
Florida	Pembroke Pines	18450 Pines Blvd., Suite #101 Pembroke Pines, Florida 33029	954-320-6034	Alex Duran
Florida	Pensacola	2190 Airport Blvd., Suite #2650 Pensacola, Florida 32504	850-270-1901	Evan Forbes Tracey Forbes
Florida	Ponte Vedra Beach	13000 Sawgrass Village Circle Bldg. 9 – 49 Ponte Vedra Beach, Florida 32082	904-478-9040	Beth Stovall Terry Stovall
Florida	Sarasota	4333 S. Tamiani Trail, Suite E Sarasota, Florida 34231	941-259-4863	Chrystal Pruitt
Florida	Seminole	8215 113th St. North Seminole, Florida 33772	727-551-4442	Angela Zourdos
Florida	St. Petersburg	290 9th St North, Suite M100 St. Petersburg, Florida 33705	727-498-5400	Jak Plihal
Florida	St. Petersburg	5999 Central Avenue, Suite #203 St. Petersburg, Florida 33710	727-565-0521	Michael Busjahn Gail Busjahn
Florida	Tampa	12950 Race Track Rd., Suite #105 Tampa, Florida 33626	813-961-0001	Kevin Furbish Thuy Furbish[1]
Florida	Tampa	3802 Ehrlich Rd. Suite #101 Tampa, Florida 33624	813-600-1666	Kevin Furbish Thuy Furbish[1]
Florida	Weston	16678 Saddle Club Road Weston, Florida 33326	954-678-5622	Alex Duran
Georgia	Alpharetta	735 North Main Street, Suite #800 Alpharetta, Georgia 30009	770-870-1750	Eric Roberts
Georgia	Cumming	1595 Peachtree Parkway, Suite #124 Cumming, Georgia 30041	470-777-7184	Palash Doshi
Georgia	Marietta	1513 Johnson Ferry Rd. Marietta, Georgia 30062	678-935-9550	T.J. Luz Matt Essex
Georgia	Marietta	3894 Due West Road, Suite #270 Marietta, Georgia 30064	470-227-0150	Jim Irvin Jennifer Irvin
Georgia	Peachtree Corners	5005 Peachtree Parkway, Suite #840 Peachtree Corners, Georgia 30092	470-563-1313	Eric Roberts
Georgia	Sandy Springs	5252 Roswell Road, Suite #200 Sandy Springs, Georgia 30342	678-385-4422	Jim Irvin Jennifer Irvin

Outlets That Were Open as of December 31, 2025				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
Georgia	Sandy Springs	2090 Dunwoody Club Dr., Suite #119 Sandy Springs, Georgia 30350	770-727-6797	TJ Lux Matt Essex
Georgia	Suwanee	3463 Lawrenceville Suwanee Rd., Suite #105 Suwanee, Georgia 30024	678-904-2334	Shane Sieracki Tonya Sieracki
Idaho	Boise	671 East Riverpark Lane, Suite 105 Boise, Idaho 83706	208-314-7878	Amy Besoushko Mark Besoushko
Illinois	Arlington Heights	281 N. Dunton Avenue Arlington Heights, Illinois 60004	847-818-0822	Kevin Coleman Carol Coleman Dan Coleman Chris Coleman
Illinois	Bannockburn	2517 Waukegan Rd Bannockburn, Illinois 60015	847-948-8000	Michael Kaplan [2]
Illinois	Buffalo Grove	775 S. Buffalo Grove Road Buffalo Grove, Illinois 60089	847-279-0059	Bruno Streich Scott DeGraeve
Illinois	Edwardsville	1181 South State Route 157, Suite #1C Edwardsville, Illinois 60025	618-248-8545	Wendy Grich Steven Grich
Illinois	Gurnee	6695A Grand Avenue Gurnee, Illinois 60031	847-855-9305	Andrew Aswad
Illinois	Lake Zurich	500 S. Rand Road Lake Zurich, Illinois 60047	847-726-3785	Bruno Streich Scott DeGraeve
Illinois	Libertyville	862 S. Milwaukee Avenue Libertyville, Illinois 60048	847-680-3761	Kevin Coleman Carol Coleman
Illinois	Naperville	1220 Iroquois Ave. Suite 180 Naperville, Illinois 60563	630-470-9268	Luke Davidson Matt Davidson [1]
Illinois	Naperville	24115 W 103rd Street, Suite A Naperville, Illinois 60564	331-472-8788	John Ward Heather Ward
Illinois	Northbrook	3000 Dundee Rd., Suite #413 Northbrook, Illinois 60062	224-479-0830	Bruno Streich Scott DeGraeve Scott R. DeGraeve
Illinois	Palatine	303 E. Northwest Hwy. Palatine, Illinois 60067	847-221-5980	Kevin Coleman Carol Coleman
Illinois	Park Ridge	946 N. Northwest Hwy., Suite C Park Ridge, Illinois 60068	847-823-0035	Kevin Coleman Carol Coleman Dan Coleman Chris Coleman
Illinois	Schaumburg	109 E. Schaumburg Road Schaumburg, Illinois 60194	847-301-3000	Kathy Fascenda
Illinois	Villa Park	100 E. Roosevelt Rd., Suite #43 Villa Park, Illinois 60181	630-686-8845	Luke Davidson Matt Davidson
Indiana	Carmel	110 W. Main St., Suite 180 Carmel, Indiana 46032	317-927-8473	Trevor Junga Phil Gordon [1]
Indiana	Crown Point	1440 E. Joliet Street Crown Point, Indiana 46307	219-661-1661	T.J. Lux
Indiana	Dyer	2105 Northwinds Dr. Dyer, Indiana 46311	219-237-8935	Dave Biggs
Indiana	Fishers	11488 Lakeridge Dr. Fishers, Indiana 46307	317-669-9251	Trevor Junga Phil Gordon [1]
Indiana	Indianapolis	1430 Broad Ripple Ave., Suite #5 Indianapolis, Indiana 46220	317-324-1042	Andrea Hiner
Indiana	Zionsville	1455 West Oak Street, Suite B Zionsville, Indiana 46077	317-343-0002	Trevor Junga Phil Gordon[1]
Iowa	Bettendorf	3420 Towne Pointe Drive Bettendorf, Iowa 52722	563-551-3220	Eddie Marquez
Iowa	West Des Moines	4825 EP True Pkwy., Suite 111 West Des Moines, Iowa 50265	515-330-1299	Sommer Hahn Ryan Hahn

Outlets That Were Open as of December 31, 2025				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
Kansas	Overland Park	9157 W. 133rd Street Overland Park, Kansas 66213	913-359-8279	Patricia Meyers Brian Pfeffer
Kansas	Shawnee Mission	8700 State Line Road, Suite #102 Shawnee Mission, Kansas 66206	913-359-8320	Patricia Meyers Brian Pfeffer
Kansas	Wichita	10096 E. 13th, Suite #114 Wichita, Kansas 67206	316-978-9213	Jeremy Stallbaumer Leah Brantley
Kentucky	Louisville	12340-A Shelbyville Road Louisville, Kentucky 40243	502-805-6481	Kendrick Porter
Kentucky	Louisville	4141 Shelbyville Road Louisville, Kentucky 40207	502-890-9696	Kendrick Porter Mayria Porter
Louisiana	Metairie	2701 Airline Drive, Suite J Metairie, Louisiana 70001	504-313-1013	Theresa Hayes
Maine	Portland	118 Marginal Way, Suite #B Portland, Maine 04101	207-544-6884	Louis Kaucic
Massachusetts	Dedham	105 Eastern Ave., Suite #209 Dedham, Massachusetts 02026	781-471-5016	Galina Stoyarov
Massachusetts	Pembroke	31 Schoosett St., Suite #200 Pembroke, Massachusetts 02359	781-451-3721	Carla Vale
Massachusetts	Wellesley	41 Grove Street Wellesley, Massachusetts 02482	617-564-4234	Jeffrey Cotter Natasha Shinberg
Michigan	Commerce Twp.	4813 Carroll Lake Road Commerce Charter Twp., Michigan 48382	248-880-2599	Edward Leick Stacy Leick
Michigan	Grand Rapids	820 Forest Hill Ave. SE, Suite A Grand Rapids, Michigan 49546	616-600-4572	Andrea Hiner
Michigan	Northville	20440 Haggerty Road Northville, Michigan 48167	734-338-2626	Edward Leick Stacy Leick
Michigan	Rochester Hills	2991 S Livernois Rd. Rochester Hills, Michigan 48307	248-481-5554	Henry Christian
Michigan	Royal Oak	32839 Woodward Ave Royal Oak, Michigan 48073	248-291-5365	Randy LaBelle
Michigan	Shelby Township	13464 24 Mile Road Shelby Township, Michigan 48315	586-884-8260	Henry Christian
Michigan	West Bloomfield	6245 Orchard Lake Road West Bloomfield, Michigan, 48322	248-847-3923	Jeff Goldman [1]
Minnesota	Eagan	1515 Central Parkway, Suite #170 Eagan, Minnesota 55121	651-382-1311	Brianne McVicker Dave McVicker
Minnesota	Eden Prairie	11010 Prairie Lakes Dr., Suite #105 Eden Prairie, Minnesota 55344	612-360-2960	Amy Hudson Jesse Hudson
Minnesota	Minneapolis	4956 Xerxes Ave. S, Suite #104 Minneapolis, Minnesota 55410	612-416-7600	Amy Hudson Jesse Hudson
Minnesota	Minnetonka	13911 Ridgedale Drive, Suite 125 Minnetonka, Minnesota 55305	612-268-2788	Amy Hudson Jesse Hudson
Minnesota	Prior Lake	14162 Commerce Avenue NE, Suite #400 Prior Lake, Minnesota 55372	763-489-1607	Stephanie Hegstrom
Minnesota	Shoreview	4570 Churchill Street, Suite #320 Shoreview, Minnesota 55126	651-661-7257	Kevin Quattrin
Missouri	Clayton	8500 Maryland Ave., Suite #301 Clayton, Missouri 63105	314-720-1575	Sommer Hahn Ryan Hahn
Missouri	Columbia	1517 Chapel Hill Rd., Suite #200 Columbia, Missouri 65203	573-818-7983	Jeff Walker
Missouri	Liberty	Westowne Building 6, Suite #602-603 Liberty, Missouri 64068	816-792-5800	Sabrina Denny
Missouri	St. Louis	4409 Meramec Bottom Road, Suite F St. Louis, Missouri 63129	314-919-9789	Dana Kilgore Ron Kilgore

Outlets That Were Open as of December 31, 2025				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
Missouri	St. Peters	1281 Jungermann Road St. Peters, Missouri 63376	636-443-7200	Sheryl Peterson
Missouri	Town & Country	13456 Clayton Rd. Town & Country, Missouri 63131	314-548-2178	Sommer Hahn Ryan Hahn
Missouri	Webster Groves	235 West Lockwood Avenue Webster Groves, Missouri 63119	314-764-2451	Sommer Hahn Ryan Hahn
Missouri	Wildwood	101 Plaza Drive, Suite #101 Wildwood, Missouri 63040	636-235-4848	Sommer Hahn Ryan Hahn
Nebraska	Omaha	8716 Countryside Plaza Omaha, Nebraska 68114	402-252-5944	Sommer Hahn Ryan Hahn
Nebraska	Omaha	18023 Oak Street, Suite B Omaha, Nebraska 68130	402-875-6596	Sommer Hahn Ryan Hahn
Nebraska	Omaha	3525 N. 147th St., Suite #203 Omaha, Nebraska 68116	402-252-4586	Sommer Hahn Ryan Hahn
Nevada	Las Vegas	8542 Del Webb Blvd. Las Vegas, Nevada 89134	702-854-1313	Matthew Silva
Nevada	Reno	800 S. Meadows Pkwy, Suite #700 Reno, Nevada 89521	775-446-4281	Jeff Heinemann
New Jersey	Brielle	707 Union Ave, Suite #403 Brielle, New Jersey 08730	732-320-9444	Felice Logrippo Nicole Logrippo
New Jersey	Cherry Hill	1871 Rt. 70 East, Suite #10 Cherry Hill, New Jersey 08003	856-306-5612	Monica Czyzyk Stanley Czyzyk
New Jersey	Fair Haven	740 River Road, Suite 102 Fair Haven, New Jersey 07704	732-440-7294	Peter Dunphy [1]
New Jersey	Flemington	200 Route 31 North, Suite 113 Flemington, New Jersey 08822	908-379-3079	Karen Majoris
New Jersey	Florham Park	186 Columbia Turnpike Florham Park, New Jersey 07932	973-241-5556	Franklyn Greenwaldt Rosa Greenwaldt
New Jersey	Hillsdale	100 Park Avenue, Suite #7 Hillsdale, New Jersey 07642	551-223-1101	Richard Edelstein
New Jersey	Medford	43 Stokes Road, Suite C Medford, New Jersey 08055	856-519-5010	Monica Czyzyk Stanley Czyzyk
New Jersey	Midland Park	666 Godwin Ave., Suite #130 Midland Park, New Jersey 07432	551-223-1103	Richard Edelstein
New Jersey	Skillman	46 Vreeland Road, Bldg. #46, Suite #6 Skillman, New Jersey 08558	609-677-6070	Tom Swietek Kim Swietek
New Mexico	Albuquerque	6739 Academy Rd. NE, Suite #254 Albuquerque, New Mexico 87109	505-355-0886	TJ Lux Matt Essex
North Carolina	Cary	117 Edinburgh South Drive, Suite #105 Cary, North Carolina 27511	984-849-4141	James Butler
North Carolina	Charlotte	6230 Fairview Road, Suite 290 Charlotte, North Carolina 28210	704-548-7747	Christopher Carelli Jenafer Carelli [1]
North Carolina	Charlotte	11914 Elm Lane, Suite #150 Charlotte, North Carolina 28277	980-890-7779	Christopher Carelli Jenafer Carelli [1]
North Carolina	Durham	7080 NC Highway 751, Suite 105 Durham, North Carolina 27707	919-300-7474	James Butler [1]
North Carolina	Huntersville	8600 Sam Furr Road, Suite #280 Huntersville, North Carolina 28078	704-659-0099	Jerry Branner Gail Branner
North Carolina	Morrisville	1901 NW Cary Parkway, Suite #101 Morrisville, North Carolina 27560	919-893-4545	Barbara Blair
North Carolina	Raleigh	3739 National Drive, Suite #110 Raleigh, North Carolina 27612	919-670-2267	Dan Girouard Elizabeth Girouard
North Carolina	Waxhaw	1526 Providence Road S, Suite #160 Waxhaw, North Carolina 28173	704-271-9550	Christopher Carelli Jenafer Carelli [1]

Outlets That Were Open as of December 31, 2025				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
North Carolina	Winston-Salem	514 Stratford Rd., Suite 201 Winston-Salem, North Carolina 27103	336-815-5890	Ian Dunn Kirsten Dunn
Ohio	Avon	2100 Center Road, Suite K Avon, Ohio 44011	440-578-0805	Amy Davis Paul VanderEyk
Ohio	Cincinnati	9797 Montgomery Road, Suite 5 Cincinnati, Ohio 45242	513-273-0383	Chris Sipes
Ohio	Cincinnati	2701 Observatory Avenue Cincinnati, Ohio 45208	513-993-3100	Chris Sipes
Ohio	Perrysburg	580 Craig Drive, Suite 2 Perrysburg, Ohio 43551	567-336-6044	Steven Hopingardner
Ohio	Powell	218 West Olentangy Street Powell, Ohio 43065	614-408-8600	Charlene Holmes William Holmes
Ohio	Toledo	7113 W. Central Avenue Toledo, Ohio 43617	419-731-5951	Steven Hopingardner
Ohio	Upper Arlington	3040 Riverside Dr., Suite #215 Upper Arlington, Ohio 43221	614-825-3025	Raina Bootwala Niti Bootwala Matthew Bootwala [1]
Ohio	West Chester Township	8104 Beckett Center Drive West Chester Township, Ohio 45069	513-906-8641	Veronica Sterling
Ohio	Westerville	580 Office Pkwy., Suite 120 Westerville, Ohio 43082	614-427-2023	Michelle Lyell John Lyell [1]
Ohio	Worthington	6827 N. High St., Suite 121 Worthington, Ohio 43085	614-427-1942	Raina, Niti Matthew Bootwala [1]
Oklahoma	Edmond	130 NE 150th, Suite 300 Edmond, Oklahoma 73013	405-562-9800	Valero Aquino
Oklahoma	Tulsa	8917 S. Yale, Suite #100 Tulsa, Oklahoma 74137	918-982-6024	Chris Cannizzaro Sally Cannizzaro
Oregon	Bend	2735 NW Crossing Drive, Suite 102 Bend, Oregon 97703	541-797-7611	Sheryl Arapov
Pennsylvania	Cranberry Township	20120 Route 19, Suite 203 Cranberry Township, Pennsylvania 16066	724-638-8585	Lisa Oldach
Pennsylvania	Langhorne	1717 Newton Langhorne Rd., Suite #202 Langhorne, Pennsylvania 19047	267-535-2686	Dexter Glassgow
Pennsylvania	Newtown Square	3748 West Chester Pike Newtown Square, Pennsylvania 19073	484-224-2828	Scott Satell
Pennsylvania	Pittsburgh	5433 Walnut Street Pittsburgh, Pennsylvania 15232	412-437-2313	David Work [1]
Pennsylvania	Pittsburgh	300 Mt. Lebanon Blvd., Suite 8 Pittsburgh, Pennsylvania 15234	412-437-2021	David Work [1]
Pennsylvania	Spring House	909 Sumneytown Pike, Suite #207 Spring House, Pennsylvania 19477	484-808-2868	Milton Linn Devon Linn
Pennsylvania	Wayne	985 Old Eagle School Road, Suite 515 Wayne Pennsylvania 19087	484-580-6557	Laura Austin Peter Austin
Pennsylvania	West Chester	709 E. Gay Street, Suite #7 West Chester, Pennsylvania 19380	484-881-3770	Milton Linn Devon Linn

Outlets That Were Open as of December 31, 2025				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
South Carolina	Hilton Head Island	1517B Main Street Hilton Head Island, South Carolina 29926	803-830-5599	Alastair Douglas Janice Douglas
South Carolina	Mt. Pleasant	528 Johnnie Dodds Blvd., Suite #101 Mount Pleasant, South Carolina 29464	843-972-3995	T.J. Lux Matt Essex
South Carolina	Simpsonville	117 Batesville Road, Suite #103 Simpsonville, South Carolina 29681	864-565-8636	Lydia Rego Winston Rego, Jr.
South Carolina	Tega Cay	1157 Stonecrest Blvd., Suite #102 Tega Cay, South Carolina 29708	803-832-1989	Kimberly Liles
South Dakota	Sioux Falls	6709 S Minnesota Ave., Suite L20 Sioux Falls, South Dakota 57108	605-302-6225	Emily Etrheim Zach Etrheim Amy Kranz Wade Kranz
Tennessee	Chattanooga	6413 Lee Highway, Suite #127 Chattanooga, Tennessee 37421	423-419-5183	Ken Meyer Sheena Meyer
Tennessee	Franklin	1909 Mallory Lane, Suite #106 Franklin, Tennessee 37067	615-538-7923	Roshan Patel [1]
Tennessee	Germantown	1941 S. Germantown Rd., Suite 102 Germantown, Tennessee 38138	901-614-2534	Luke Eickmeier Staci Eickmeier
Tennessee	Knoxville	156 West End Ave. Knoxville, Tennessee 37934	865-244-2899	Steven Barnard
Tennessee	Lakeland	9752 Market Green Place North, Suite #103 Lakeland, Tennessee 38002	901-616-6082	Rick Frembgen[1]
Tennessee	Murfreesboro	520 Highland Terrace, Suite G Murfreesboro, Tennessee 37130	615-550-1706	Roshan Patel
Tennessee	Nashville	4205 Hillsboro Pike, Suite #204 Nashville, Tennessee 37215	615-696-7670	Lauren Gonzales William Gonzales
Texas	Austin	10510 W. Parmer Ln., Suite 106 Austin, Texas 78717	512-377-1430	Alejandro Alderete Claudia Alderete [1]
Texas	Colleyville	55 Main Street, Suite #110 Colleyville, Texas 76034	817-778-9412	Mike Sims Andrea Sims [1]
Texas	Coppell	722 S Denton Tap Road, Suite 200 Coppell, Texas 75019	469-405-2121	Evita Garces Jorge Garces Roberto Garces Beverley Garces
Texas	Dallas	6757 Arapaho Road, Suite 711 Dallas, Texas 75248	972-716-9530	Jim Montgomery Michele Montgomery
Texas	Dallas	5600 W. Lovers Lane, Suite 219 Dallas, Texas 75209	469-265-4466	Patrick Sculley Mary Sculley [1]
Texas	Dallas	10611 Garland Rd., Suite 216 Dallas, Texas 75218	214-764-5485	Anthony Kachiros Dixie Kachiros
Texas	Flower Mound	400 Flower Mound Rd., Suite #120 Flower Mound, Texas 75028	469-678-8303	Mark Alexander Danica Alexander
Texas	Fort Worth	2745 S. Hulen Street Fort Worth, Texas 76109	817-841-8888	T.J. Lux Matt Essex
Texas	Friendswood	331 E. Parkwood Dr. Friendswood, Texas 77546	281-978-2131	Kenneth Collins Lisa Collins
Texas	Frisco	25663 Smotherman Road, Suite #206 Frisco, Texas 75033	469-902-7275	Jim Montgomery Michele Montgomery
Texas	Keller	940 Keller Parkway, Suite #160 Keller, Texas 76248	817-886-0047	Mike Sims Andrea Sims
Texas	Lakeway	3503 Wild Cherry Drive Bldg. 15B Lakeway, Texas 78738	737-587-4899	Alejandro Alderete Claudia Alderete [1]
Texas	League City	1455 FM 646 Rd., Suite 101 League City, Texas 77539	832-400-4423	Donald Delmonico Becky Delmonico

Outlets That Were Open as of December 31, 2025				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
Texas	McKinney	1890 N. Stonebridge Dr., #330 – Bldg. 3 McKinney, Texas 75071	469-626-7039	David Bass Jr.
Texas	Murphy	318 W. FM 544 St., Suite D4 Murphy, Texas 75094	469-421-6911	Mark Alexander Danica Alexander
Texas	Pearland	9330 Broadway St., Suite B-308 Pearland, Texas 77584	832-787-0201	Jan Ross Al-Hilali, Jabir
Texas	Southlake	1500 N. Kimball Ave., Suite 140 Southlake, Texas 76092	817-764-3431	Mike Sims Andrea Sims [1]
Utah	Sandy	9730 S. 700 E., Suite #110 Sandy, Utah 84070	435-990-3363	Jennifer Whiting JP Whiting
Virginia	Centreville	5900 Fort Drive, Suite #460 Centreville, Virginia 20121	703-637-6862	John Hagan
Virginia	Chesapeake	501 Kempsville Road, Suite #103 Chesapeake, Virginia 23320	757-520-5553	Bryan Bach Wendy Bach
Virginia	Oakton	2936-B Chain Bridge Road Oakton, Virginia 22124	571-626-5710	John Hagan
Virginia	Richmond	3436 Lauderdale Drive Richmond, Virginia 23233	804-508-7714	India Morgan Eric Morgan
Virginia	Richmond	11540 Busy Street Richmond, Virginia 23236	804-368-6497	India Morgan Eric Morgan
Virginia	Springfield	5501 Blacklick Road, Suite #205 Springfield, Virginia 22151	703-650-5890	Jonathan Mead
Virginia	Virginia Beach	293 Independence Blvd., Bldg. 5, Suite 118 Virginia Beach, Virginia 23462	757-644-0946	Bryan Bach Wendy Bach
Wisconsin	Appleton	1901 E. Capitol Drive, Ste. A Appleton, Wisconsin 54911	920-731-2348	Kevin McKee [1]
Wisconsin	Brookfield	18900 W. Bluemound Rd., Suite #214 Brookfield, Wisconsin 53045	262-290-5947	Kristine Staral [1]
Wisconsin	Shorewood	3565 N. Oakland Ave. Shorewood, Wisconsin 53211	414-930-4044	TJ Lux Matt Essex

1. These franchisees are also area developers that have committed to open multiple franchised businesses under the terms of an area development agreement.

2. This outlet was transferred in 2025 and inadvertently referenced as a 2024 transfer in the prior year's FDD.

The following table lists franchisees with signed franchise agreements that were not open as of December 31, 2025.

Franchise Agreements Signed But Outlets Not Open as of December 31, 2025				
State	**City**	**Address**	**Phone**	**Owner Name(s)**
California	Fullerton	1395 S Grand Ave., Suite 30 Fullerton, California 91740	626-788-1015	Celia Barron
California	Redwood City	2537B El Camino Real Redwood City, California 94061	650-870-9467	Shawn Chou Linda Cheng
California	TBD	TO BE DETERMINED	661-549-8852	Angela Lockard Gregory Lockard
California	TBD	TO BE DETERMINED	818-231-7399	Cindy Timpanaro Pam Kehlay
Florida	Jacksonville	13529 Beach Blvd., Suite 305A Jacksonville, FL 32224	904-319-5585	Roberta Sanfelice Ricardo Sanfelice
Florida	TBD	TO BE DETERMINED	937-626-7074	Patrick Cunningham
Georgia	TBD	TO BE DETERMINED	813-770-8849	Keith Johnson Celia Isla
Georgia	TBD	TO BE DETERMINED	646-467-3562	Janice Thomas Vladimir Thomas
Illinois	TBD	TO BE DETERMINED	815-545-1458	David Streitz
Minnesota	Woodbury	8425 Seasons Pkwy., Suite 104B Woodbury, Minnesota	651-615-9977	Chris Geiser
Missouri	O'Fallon	945 Waterbury Falls Drive O'Fallon, Missouri 63368	636-355-8885	Jai Thomas Tessy Thomas
New Jersey	TBD	TO BE DETERMINED	917-622-2717	Thomas Scherer
Tennessee	TBD	TO BE DETERMINED		Laura Williams
Texas	Pflugerville	14179 The Lakes, Suite 200 Pflugerville, Texas 78660	540-525-4596	Daniel Amick
Texas	San Antonio	2606 TPC Parkway, 107(Space 130) San Antonio, Texas 78259	210-796-7964	Carlos Torres
Texas	TBD	TO BE DETERMINED	281-536-9928	Alexander Andrews
Utah	TBD	TO BE DETERMINED	801-725-0059	Mark Quillen
Virginia	TBD	TO BE DETERMINED	847-306-2518	Krupali Patel Karun Chendrimada

1. These franchisees are also area developers that have committed to open multiple franchised businesses under the terms of an area development agreement.

<u>Part B</u> (Former Franchisees Who Left System During Prior Fiscal Year)

State	City	Current Business Phone or Last Known Home Phone	Owner Name(s)
Colorado	Broomfield	720-563-1040	Jeff & Jenn Jorgensen
Colorado	Highland Ranch	303-596-7670	Daniel & Tristin Gleason
Georgia	Sandy Springs	770-363-8012	Marshall & Pam Millikan
Illinois	Northbrook	847-508-5187	Matt & Elizabeth McDonnell
Iowa	West Des Moines	319-431-4131	David Gray Brian Stodola
Massachusetts	Dedham	617-416-5758 978-355-8800	Jason & Laura Boucher Mike & Kelly Dagdigian
Nevada	Las Vegas	505-554-7081	Brent & Molly Nestor
New Mexico	Albuquerque	505-913-0072	Beverlee & Chris Shaw
New Mexico	Albuquerque	505-913-0072	Beverlee Shaw Chris Shaw
Pennsylvania	Langhorne	612-247-6217	Pat & Julie Cappucci
Texas	Frisco	972-841-2036	Kevin & Robin Hemphill
Texas	Plano	972-841-2036	Kevin & Robin Hemphill

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT "H"

TO DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

[See Attached]

EXERCISE COACH USA, LLC

Audited Financial Statements

For the Years Ended December 31, 2025 and 2024

EXERCISE COACH USA, LLC

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Income	4
Statements of Changes in Members' Equity	5
Statements of Cash Flows	6 - 7
Notes to Financial Statements	8 - 13
Supplemental Financial Information:	
Schedule 1 – Schedule of Operating Costs and Expenses	14

CYGANHAYES Ltd.
Certified Public Accountants and Consultants

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Frankfort, IL 60423
Tel.815.534.5713
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INDEPENDENT AUDITORS' REPORT

To Members of Exercise Coach USA, LLC

Opinion

We have audited the accompanying financial statements of Exercise Coach USA, LLC, which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Exercise Coach USA, LLC as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Exercise Coach USA, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Exercise Coach USA, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Exercise Coach USA LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Exercise Coach USA LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Operating Costs and Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



CYGAN HAYES, LTD.
Certified Public Accountants

Frankfort, Illinois
April 15, 2026

Exercise Coach USA, LLC
Balance Sheets
For the years ended December 31, 2025 and 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	$ 1,667,555	$ 1,910,611
Accounts receivable, net of allowance for credit losses of $6,723 for 2025 and $5,431 for 2024 (Note 2)	462,477	537,369
Deferred contract costs	294,559	519,590
Prepaid expenses	145,513	183,428
Inventory	72,407	79,380
Current portion of loans receivable	197,058	1,687
Other current receivable	15,487	-
Total Current Assets	2,855,056	3,232,065
FIXED ASSETS		
Computers and equipment	157,169	151,883
Training equipment	139,475	143,248
Leasehold improvements	112,586	112,586
Software	24,000	24,000
Less: Accumulated depreciation & amortization	(215,131)	(162,251)
Total Fixed Assets	218,099	269,466
OTHER ASSETS		
Right of use assets for operating leases (Note 6)	191,863	267,730
Loan receivable	60,000	60,000
Other receivable	4,275	1,575
Total Other Assets	256,138	329,305
Total Assets	$ 3,329,293	$ 3,830,836

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	$ 210,861	$ 282,127
Deferred revenue	423,850	709,750
Short term lease liability for operating leases (Note 6)	96,003	88,480
Taxes payable	11,761	5,218
Total Current Liabilities	742,475	1,085,575
LONG-TERM LIABILITIES		
Loan payable to partner	600,000	600,000
Long term lease liability for operating leases (Note 6)	102,582	182,552
Deferred tax liability, net	5,304	1,162
Total Long-Term Liabilities	707,886	783,714
MEMBERS' EQUITY	1,878,932	1,961,547
Total Liabilities and Members' Equity	$ 3,329,293	$ 3,830,836

Exercise Coach USA, LLC
Statements of Income
For the years ended December 31, 2025 and 2024

	2025	2024
REVENUES		
Franchise fee revenue	$ 1,051,550	$ 640,005
Royalty revenue	3,807,058	3,520,135
Ad fund revenue	625,416	578,454
Franchise support services	1,130,924	832,052
Printing services	222,534	280,297
Marketing and contest revenue	1,413,772	1,337,149
Commissions	9,100	14,700
Referral income	9,016	28,875
Miscellaneous income	362,302	235,700
Total Revenue	8,631,672	7,467,367
OPERATING COSTS AND EXPENSES (Schedule 1)	7,823,698	6,530,746
Operating Income (Loss)	807,974	936,621
OTHER INCOME (EXPENSE)		
Interest income	24,896	29,617
Provision for credit losses	(1,292)	(1,947)
Gain on sale of assets	10,650	-
Total Other Income (Expense)	34,254	27,670
Net Income Before Taxes	842,228	964,291
TAX EXPENSE		
International taxes	17,569	23,789
Replacement tax expense	11,761	5,218
Deferred tax expense (benefit)	4,142	105
Total Tax Expense	33,472	29,112
Net Income (Loss)	$ 808,756	$ 935,179

Exercise Coach USA, LLC
Statements of Changes in Members' Equity
For the years ended December 31, 2025 and 2024

	Strength for Life LLC	9th & James Investments LLC	Hudson 2011 Declaration of Trust	Dunbar 1994 Living Trust	Total
Balance at January 01, 2024	$ 585,168	$ 744,436	$ 242,456	$ 339,988	$ 1,912,048
Capital Distributions	(438,445)	(182,539)	(67,373)	(197,323)	(885,680)
Net Income/(Loss)	471,293	188,158	72,420	203,308	935,179
Balance at December 31, 2024	$ 618,016	$ 750,055	$ 247,503	$ 345,973	$ 1,961,547
Capital Distributions	(438,445)	(183,321)	(71,524)	(198,081)	(891,371)
Net Income/(Loss)	407,580	162,722	62,630	175,824	808,756
Balance at December 31, 2025	$ 587,151	$ 729,456	$ 238,609	$ 323,716	$ 1,878,932

Exercise Coach USA, LLC
Statements of Cash Flows
December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	$ 808,756	$ 935,179
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision (benefit) for deferred taxes	4,142	105
Depreciation and amortization	56,654	61,577
(Gain)/loss on sale of capital assets	(10,650)	-
Provision for credit losses	1,292	1,947
(Increase) decrease in assets:		
Accounts receivable	73,601	(195,645)
Deferred contract costs	225,031	(233,140)
Prepaid expenses	37,915	(71,275)
Inventory	6,973	(79,380)
Other current receivable	(15,487)	-
Right of use assets	75,867	(86,647)
Other receivable	(2,700)	(1,575)
Construction in progress	-	5,482
Increase (decrease) in liabilities:		
Accounts payable	(71,266)	62,793
Deferred revenue	(285,900)	343,495
Lease liability, short term and long term	(72,447)	89,949
Taxes payable	6,543	466
Net Cash Provided (Used) by Operating Activities	838,324	833,331
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans issued	(257,058)	(61,687)
Loan payments received	61,687	47,005
Capital expenditures	(10,287)	(177,716)
Proceeds from sale of capital assets	15,649	-
Net Cash Provided (Used) by Investing Activities	(190,009)	(192,398)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital distributions	(891,371)	(885,680)
Net Cash Provided (Used) by Financing Activities	(891,371)	(885,680)
Net Increase (Decrease) in Cash and Cash Equivalents	(243,056)	(244,747)
Cash and Cash Equivalents – Beginning of Year	1,910,611	2,155,358
Cash and Cash Equivalents – End of Year	$ 1,667,555	$ 1,910,611

Exercise Coach USA, LLC
Statements of Cash Flows
December 31, 2025 and 2024

	2025	2024
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest	$ 39,000	$ 39,000
International taxes paid	$ 17,569	$ 23,789
Replacement taxes paid	$ 5,218	$ 4,752
Noncash Operating Transactions		
Operating lease assets	$ 28,210	$ 164,497
Operating lease liabilities	$ 28,210	$ 164,497

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company is engaged in the franchising of a proprietary system of personalized fitness training throughout the country in states for which legal compliances for franchising have been met.

Revenue Recognition

The Company's revenue is derived primarily from initial franchise fees and royalties from existing franchisees, and recognized according to ASC 606, *Revenues from Contracts with Customers*. Initial franchise fees are paid by new franchisees and cover services provided for initial development and support of each franchise location. These services contain multiple performance obligations, which are satisfied over time. Typically, these services are provided over a period of ten months after an agreement is signed to the opening of a location and this forms the basis of time for these fees to be recognized. Until such time that performance obligations are completed, and fees are fully recognized, the Company recognizes a liability for deferred revenue. As services are performed each month, the liability is reversed, and revenue is recognized. The fees collected for these services are nonrefundable. See Note 3 for deferred revenue contract balance details.

As franchise locations open for business, monthly royalties are collected from each franchisee. These fees are subject to a minimum amount stated in each franchise agreement, with a variable component based on monthly sales. Royalties provide for monthly access to the franchise license and use of the Company's marks and intellectual property. These fees are recognized each month.

Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to members in accordance with their respective ownership percentage. Therefore, no provision or liability for current income taxes has been included in the financial statements. In certain instances, however, the Company may be required under applicable state laws to remit directly to state tax authorities amounts otherwise due to members. Such payments on behalf of the members are deemed distributions to them. The Company is required to pay the State of Illinois replacement tax (currently 1.5% of state income). For the years ended December 31, 2025 and 2024, state replacement tax expense was $4,811 and $5,218, respectively. The Company also is subject to the State of Tennessee franchise and excise taxes, beginning with the year ended December 31, 2025. Total Tennessee state tax expense for the year ended December 31, 2025 was $6,950.

Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences related primarily to depreciable assets (use of different depreciation methods and lives for financial statement and income tax purposes) and other differences between assets and liabilities as a result of different accounting methods used for the financial statements and taxes. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled. Deferred taxes also are recognized for operating losses that are available to offset future taxable income.

The Company has several international franchise locations. There are related international foreign taxes the Company is required to report. The foreign franchise locations reimburse the Company for the tax expense each year, and the Company reports these receipts as franchise and royalty revenue and reports the related expense. For the years ended December 31, 2025 and 2024, the total international tax was $17,569 and $23,789, respectively.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all demand deposits, money market funds, and securities with original maturities of three months or less to be cash equivalents. The Company maintains its cash in bank accounts which, at times, may exceed federally insurance limits as guaranteed by the Federal Deposit Insurance Corporation.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable & Allowance for Credit Losses

Accounts receivable are reported at their outstanding balances less the allowance for credit losses.

The Company previously adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326)* which requires the Company to create a provision for an allowance for credit losses on accounts receivable. The allowance for credit losses represents an estimate of the lifetime expected credit losses in accounts receivable as of the date of the financial statements.

The Company utilizes past historical data, evaluations of customers' financial condition, knowledge of current economic conditions, reasonable forecasts for future payments, and other economic trends and factors to develop credit loss estimates. Receivables are grouped into different categories based upon age of the receivable and assessed risk and are evaluated by category for collectability. The Company periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment.

Credit losses are directly charged off when the Company deems the accounts receivable balance to be uncollectible. See Note 2 for detailed information on the calculation of the current allowance for credit losses.

Property, Equipment, Depreciation and Amortization

Property and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. For the years ended December 31, 2025 and 2024, depreciation and amortization expense relating to property and equipment was included in operating costs in the amount of $56,654 and $61,577, respectively.

Inventory

Inventory consists of equipment related to a stretching program offered to franchisee owners as a service line of the Company, as well as used exercise machines available for purchase, and is valued at the lower of cost or market. The cost is determined using the first-in, first-out method. The inventory is adjusted annually as a result of physical count.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was $1,396,043 and $1,233,349 for the years ended December 31, 2025 and 2024, respectively. Monthly amounts are also received from franchisees, equal to a portion of monthly sales to fund a brand development fund ("ad fund"). The Company uses the ad fund for additional advertising, marketing and brand development to promote public awareness of the brand and improve systems. These receipts are treated as revenue, recognized each month, and expenses are recorded when incurred.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 2: ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

	2025	2024
Accounts receivable consists of:		
Trade	$ 469,200	$ 542,800
Less allowance for credit losses	(6,723)	(5,431)
Accounts receivable net of credit losses	$ 462,477	$ 537,369

Changes in the allowance for credit losses were as follows:

Beginning balance	$ 5,431	$ 3,484
Change in allowance for credit losses for the current period	1,292	1,947
Ending balance	$ 6,723	$ 5,431

For the years ended December 31, 2025 and 2024, the Company recognized credit loss expense (income) of $1,292 and $1,947, respectively.

NOTE 3: CONTRACT LIABILITIES AND ASSETS

Contract liabilities from contracts with customers for initial franchise fees that relate to deferred revenue consist of the following at December 31, 2025 and 2024:

	2025	2024
Beginning of Year	$ 709,750	$ 366,255
End of Year	$ 423,850	$ 709,750

The Company often incurs incremental contract costs in the form of broker commissions to third parties when a new franchisee is acquired. These incremental contract costs are recognized over the same period as the initial franchise fee revenues. A deferred contract cost asset is recorded when commissions are paid, and as the revenues are recognized each month as performance obligations are completed, a proportional amount of the asset is reversed and the expense is recognized. Contract cost assets for these commissions consist of the following at December 31, 2025 and 2024:

	2025	2024
Beginning of Year	$ 519,590	$ 286,450
End of Year	$ 294,559	$ 519,590

The full amount of the prior year liabilities has been recognized as revenues and the prior year contract assets have been recognized as expense in the current year due to the time over which these revenues and expenses are recognized, see Note 1.

NOTE 4: MEMBERS' EQUITY

As of December 31, 2025 and 2024, ownership and income percentages are as follows:

	2025	2024
Strength For Life, LLC	50%	50%
Hudson Declaration Trust	8%	8%
W. Kent Dunbar 1994 Living Trust	22%	22%
9th & James Investments, LLC	20%	20%

There were no changes in ownership or income percentage during the year ended December 31, 2025.

NOTE 5: INCOME TAXES

As of December 31, 2025 and 2024, the deferred tax liabilities recognized for taxable temporary differences total $17,771 and $9,103, respectively. Deferred tax assets recognized for deductible temporary differences and operating loss carryforwards total $12,467 and $7,941, respectively. The net deferred tax liability of $5,304 and $1,162 is reported on the accompanying balance sheets for the years ended December 31, 2025 and 2024, respectively.

The Company has adopted the revised provisions of FASB ASC 740, relating to uncertain tax positions. These standards require management to perform an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Company's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. This evaluation is required to be performed for all open tax years, as defined by the various statues of limitations, for federal and state purposes.

The Company is required to file federal and state income tax returns. The Company's tax returns are subject to possible examination by the taxing authorities. For federal and state income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns. Management has performed its evaluation of all other income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax provisions in the accompanying financial statements.

NOTE 6: RELATED PARTY LEASES & OTHER LEASING ARRANGEMENTS

The Company subleased facilities from Strength for Life, a related party through common members and additional facilities owned by the Company's CEO. This lease is paid monthly and is set to expire July 2028. Total rent expense for these arrangements for the years ended December 31, 2025 and 2024 was $12,680 and $8,238, respectively.

The Company also leased a facility to serve as a training center for new franchisee owners. The lease term is effective through November 30, 2026, with an expected to be exercised option for one additional year. The lease calls for monthly payments of $2,437 but may be modified depending on use of space. For the years ended December 31, 2025 and 2024, rent was only charged at 50% of the monthly amount per the agreement. In subsequent years, unless otherwise agreed upon, rent will continue to be charged at 50% of the monthly payment per the agreement. Total rent expense for the years ended December 31, 2025 and 2024 was $12,494 and $12,300, respectively.

The Company has a lease agreement for an additional training center for new franchisee owners. This lease term is effective through December 31, 2026. The lease calls for monthly payments of $4,100. Total rent expense for this lease was $49,200 for the years ended December 31, 2025 and 2024.

NOTE 6: RELATED PARTY LEASES & OTHER LEASING ARRANGEMENTS (CONTINUED)

The Company has a lease agreement for an additional office and training center. The lease is effective through August 31, 2029. The lease calls for monthly payments of $3,550, with an increase to $4,100 monthly, effective September 2025. These monthly payments may be modified depending on use of space. For the years ended December 31, 2025 and 2024, rent was only charged at 50% of the monthly amount per the agreement. In subsequent years, unless otherwise agreed upon, rent will continue to be charged at the 50% of the monthly amount per the agreement. Total rent expense for this lease for the years ended December 31, 2025 and 2024 was $25,139 and $14,664, respectively.

The practical expedient election has been made to use the risk-free rate as the discount rate for all operating leases.

Supplemental balance sheet information related to leases were as follows:

	2025	2024
Operating lease right-of-use assets	$ 191,863	$ 267,730
Operating lease obligations - current	96,003	88,480
Operating lease obligations - non current	102,582	182,552
Total operating lease obligations	$ 198,585	$ 271,032
Weighted Average Discount Rate	3.55 %	3.33 %
Weighted Average Term of Leases (Years)	2.59	3.31

Future lease payments for all leases

	2025	2024
January 1, 2025 - December 31, 2025	$ -	$ 96,150
January 1, 2026 - December 31, 2026	101,695	98,348
January 1, 2027 - December 31, 2027	53,170	39,766
January 1, 2028 - December 31, 2028	35,677	35,677
January 1, 2029 - December 31, 2029	18,985	18,985
Total undiscounted minimum lease payments	209,527	288,926
Less: Present value discount	(10,942)	(17,894)
Operating lease liability	$ 198,585	$ 271,032

NOTE 7: RELATED PARTY DEBT

On December 15, 2023, the Company executed an agreement with 9th & James Investments, LLC whereby the Company issued a promissory note totaling $600,000. This agreement matures on January 15, 2031. Interest-only payments are required for the first 36 months from the effective date of the note, beginning January 15, 2024. The first installment of principal and interest is due on January 15, 2027, to be paid in 48 equal monthly installments. The promissory note bears an interest rate of 6.5% per annum. Interest was charged of $39,000 during the years ended December 31, 2025 and 2024. As of December 31, 2025, the loan balance was $600,000.

NOTE 8: EMPLOYEE BENEFIT PLAN

The Company has established an elective deferral SIMPLE IRA plan covering all eligible employees. The Company matches the contributions made by employees, up to a maximum of 3% of the employee's income. The Company's matching contributions for the years ended December 31, 2025 and 2024, was $37,325 and $36,529, respectively.

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated the events that have occurred through April 15, 2026, the date the financial statements were available to be issued.

SUPPLEMENTAL FINANCIAL INFORMATION

Exercise Coach USA, LLC
Schedule 1
Schedule of Operating Costs and Expenses
For the years ended December 31, 2025 and 2024

	2025	2024
OPERATING COSTS AND EXPENSES		
Advertising and promotion	$ 1,396,043	$ 1,233,349
Salaries	2,326,252	2,035,791
Payroll taxes	123,878	104,146
Professional fees	212,912	202,508
Franchise development	1,022,611	711,961
Ad fund expenses	829,845	525,805
Training expense	132,623	73,864
Commission expense	-	12,500
Dues and subscriptions	8,269	6,644
Designer fees	31,710	13,630
Insurance	164,179	113,767
Rent	99,513	84,402
Website and computers	836,227	743,928
Automobile	7,230	8,243
Office supplies	17,246	23,650
Printing and postage	272,721	282,262
Repairs and maintenance	3,338	1,911
Travel	49,566	46,044
Telephone and utilities	11,053	10,724
License and fees	335	177
Education	122,290	141,206
Depreciation	55,987	53,577
Amortization	667	8,000
Meals & entertainment	12,978	7,850
Retirement plan expense	37,325	36,529
Interest expense	39,000	39,000
Bank fees	9,806	9,176
Sales tax expense	94	102
Total Operating Costs and Expenses	$ 7,823,698	$ 6,530,746

EXERCISE COACH USA, LLC

Audited Financial Statements

For the Years Ended December 31, 2024 and 2023

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Income	4
Statements of Changes in Members' Equity	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 12
Supplemental Financial Information:	
Schedule 1 – Schedule of Operating Costs and Expenses	13

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INDEPENDENT AUDITORS' REPORT

To Members of Exercise Coach USA, LLC

Opinion

We have audited the accompanying financial statements of Exercise Coach USA, LLC, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Exercise Coach USA, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Exercise Coach USA, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Exercise Coach USA, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Exercise Coach USA LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Exercise Coach USA LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Operating Costs and Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



CYGAN HAYES, LTD.
Certified Public Accountants

Frankfort, Illinois
April 11, 2025

Exercise Coach USA, LLC
Balance Sheets
For the years ended December 31, 2024 and 2023

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	$ 1,910,611	$ 2,155,358
Accounts receivable, net of allowance for credit losses of $5,431 for 2024 and $3,484 for 2023 (Note 2)	537,369	343,671
Deferred contract costs	519,590	286,450
Prepaid expenses	183,428	112,153
Inventory	79,380	-
Short-term loan receivable	1,687	-
Total Current Assets	3,232,065	2,897,632
FIXED ASSETS		
Computers and equipment	151,883	80,069
Training equipment	143,248	135,360
Leasehold improvements	112,586	14,572
Software	24,000	24,000
Less: Accumulated depreciation & amortization	(162,251)	(100,674)
Total Fixed Assets	269,466	153,327
OTHER ASSETS		
Right of use assets for operating leases (Note 6)	267,730	181,083
Loan receivable	60,000	47,005
Other receivable	1,575	-
Construction in progress	-	5,482
Total Other Assets	329,305	233,570
Total Assets	$ 3,830,836	$ 3,284,529

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	$ 282,127	$ 219,334
Deferred revenue	709,750	366,255
Short term lease liability for operating leases (Note 6)	88,480	61,458
Taxes payable	5,218	4,752
Total Current Liabilities	1,085,575	651,799
LONG-TERM LIABILITIES		
Loan payable to partner	600,000	600,000
Long term lease liability for operating leases (Note 6)	182,552	119,625
Deferred tax liability, net	1,162	1,057
Total Long-Term Liabilities	783,714	720,682
MEMBERS' EQUITY	1,961,547	1,912,048
Total Liabilities and Members' Equity	$ 3,830,836	$ 3,284,529

Exercise Coach USA, LLC
Statements of Income
For the years ended December 31, 2024 and 2023

	2024	2023
REVENUES		
Franchise fee revenue	$ 640,005	$ 1,473,870
Royalty revenue	3,520,136	3,030,043
Ad fund revenue	578,454	475,962
Franchise support services	832,052	702,196
Printing services	280,297	317,536
Marketing and contest revenue	1,337,149	684,685
Commissions	14,700	70,069
Referral income	28,875	10,807
Miscellaneous income	235,699	143,194
Total Revenue	7,467,367	6,908,362
OPERATING COSTS AND EXPENSES (Schedule 1)	6,530,746	5,818,263
Operating Income (Loss)	936,621	1,090,099
OTHER INCOME (EXPENSE)		
Interest income	29,617	21,551
Provision for credit losses	(1,947)	4,002
Total Other Income (Expense)	27,670	25,553
Net Income Before Taxes	964,291	1,115,652
TAX EXPENSE		
International taxes	23,789	38,856
Replacement tax expense	5,218	4,752
Deferred tax expense (benefit)	105	1,187
Total Tax Expense	29,112	44,795
Net Income (Loss)	$ 935,179	$ 1,070,857

Exercise Coach USA, LLC
Statements of Changes in Members' Equity
For the years ended December 31, 2024 and 2023

	Strength for Life LLC	9th & James Investments LLC	Hudson 2011 Declaration of Trust	Atita, LLC	Dunbar 1994 Living Trust	Total
Balance at January 1, 2023	$ 702,096	$ 632,652	$ 260,424	$ 335,435	$ 232,961	$ 2,163,568
Prior Period Adjustment for Adoption of New Standard	(6,490)	(1,931)	(997)	(1,318)	(2,140)	(12,876)
Capital Distributions	(650,108)	(225,791)	(99,898)	(86,016)	(247,688)	(1,309,501)
Transfers of Capital	-	151,089	-	(302,179)	151,090	-
Net Income/(Loss)	539,670	188,417	82,927	54,078	205,765	1,070,857
Balance at December 31, 2023	$ 585,168	$ 744,436	$ 242,456	$ -	$ 339,988	$ 1,912,048
Capital Distributions	(438,445)	(182,539)	(67,373)	-	(197,323)	(885,680)
Net Income/(Loss)	471,293	188,158	72,420	-	203,308	935,179
Balance at December 31, 2024	$ 618,016	$ 750,055	$ 247,503	$ -	$ 345,973	$ 1,961,547

Exercise Coach USA, LLC
Statements of Cash Flows
December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	$ 935,179	$ 1,070,857
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Provision (benefit) for deferred taxes	105	1,187
Depreciation and amortization	61,577	37,179
Provision for credit losses	1,947	(4,002)
(Increase) decrease in assets:		
Accounts receivable	(195,645)	10,915
Deferred contract costs	(233,140)	404,800
Other receivable	(1,575)	2,716
Prepaid expenses	(71,275)	(63,257)
Inventory	(79,380)	-
ST Loan receivable	(1,687)	-
Right of use assets	(86,647)	52,708
LT Loan receivable	(12,995)	(47,005)
Construction in progress	5,482	(5,482)
Increase (decrease) in liabilities:		
Accounts payable	62,793	38,297
Deferred revenue	343,495	(599,445)
Lease liability, short term and long term	89,949	(52,708)
Taxes payable	466	(383)
Net Cash Provided (Used) by Operating Activities	818,649	846,377
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(177,716)	(67,897)
Net Cash Provided (Used) by Investing Activities	(177,716)	(67,897)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable - partner loan	-	600,000
Capital distributions	(885,680)	(1,309,501)
Net Cash Provided (Used) by Financing Activities	(885,680)	(709,501)
Net Increase (Decrease) in Cash and Cash Equivalents	(244,747)	68,979
Cash and Cash Equivalents – Beginning of Year	2,155,358	2,086,379
Cash and Cash Equivalents – End of Year	$ 1,910,611	$ 2,155,358
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid During the Year for:		
Interest	$ 39,000	$ -
International taxes paid	$ 23,789	$ 38,856
Replacement taxes paid	$ 4,752	$ 2,419
Noncash Operating Transactions		
Operating lease assets	$ 164,497	$ 34,599
Operating lease liabilities	$ 164,497	$ 34,599

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Company is engaged in the franchising of a proprietary system of personalized fitness training throughout the country in states for which legal compliances for franchising have been met.

Revenue Recognition

The Company's revenue is derived primarily from initial franchise fees and royalties from existing franchisees, and recognized according to ASC 606, *Revenues from Contracts with Customers*. Initial franchise fees are paid by new franchisees and cover services provided for initial development and support of each franchise location. These services contain multiple performance obligations, which are satisfied over time. Typically, these services are provided over a period of ten months after an agreement is signed to the opening of a location and this forms the basis of time for these fees to be recognized. Until such time that performance obligations are completed, and fees are fully recognized, the Company recognizes a liability for deferred revenue. As services are performed each month, the liability is reversed, and revenue is recognized. The fees collected for these services are nonrefundable. See Note 3 for deferred revenue contract balance details.

As franchise locations open for business, monthly royalties are collected from each franchisee. These fees are subject to a minimum amount stated in each franchise agreement, with a variable component based on monthly sales. Royalties provide for monthly access to the franchise license and use of the Company's marks and intellectual property. These fees are recognized each month.

Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to members in accordance with their respective ownership percentage. Therefore, no provision or liability for current income taxes has been included in the financial statements. In certain instances, however, the Company may be required under applicable state laws to remit directly to state tax authorities amounts otherwise due to members. Such payments on behalf of the members are deemed distributions to them. The Company is required to pay the State of Illinois replacement tax (currently 1.5% of state income). For the years ended December 31, 2024 and 2023, state replacement tax expense was $5,218 and $4,752, respectively.

Deferred taxes are recognized for differences between the basis of assets and liabilities for financial statement and income tax purposes. The differences related primarily to depreciable assets (use of different depreciation methods and lives for financial statement and income tax purposes) and other differences between assets and liabilities as a result of different accounting methods used for the financial statements and taxes. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled. Deferred taxes also are recognized for operating losses that are available to offset future taxable income.

The Company has several international franchise locations. There are related international foreign taxes the Company is required to report. The foreign franchise locations reimburse the Company for the tax expense each year, and the Company reports these receipts as franchise and royalty revenue and reports the related expense. For the years ended December 31, 2024 and 2023, the total international tax was $23,789 and $38,856, respectively.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all demand deposits, money market funds, and securities with original maturities of three months or less to be cash equivalents. The Company maintains its cash in bank accounts which, at times, may exceed federally insurance limits as guaranteed by the Federal Deposit Insurance Corporation.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable & Allowance for Credit Losses

Accounts receivable are reported at their outstanding balances less the allowance for credit losses.

The Company previously adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326)* which requires the Company to create a provision for an allowance for credit losses on accounts receivable. The allowance for credit losses represents an estimate of the lifetime expected credit losses in accounts receivable as of the date of the financial statements.

The Company utilizes past historical data, evaluations of customers' financial condition, knowledge of current economic conditions, reasonable forecasts for future payments, and other economic trends and factors to develop credit loss estimates. Receivables are grouped into different categories based upon age of the receivable and assessed risk and are evaluated by category for collectability. The Company periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment.

Credit losses are directly charged off when the Company deems the accounts receivable balance to be uncollectible. See Note 2 for detailed information on the calculation of the current allowance for credit losses.

Property, Equipment, Depreciation and Amortization

Property and equipment are stated at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. For the years ended December 31, 2024 and 2023, depreciation and amortization expense relating to property and equipment was included in operating costs in the amount of $61,577 and $37,179, respectively.

Inventory

Inventory consists of equipment related to a stretching program offered to franchisee owners as a service line of the Company and is valued at the lower of cost or market. The cost is determined using the first-in, first-out method. The inventory is adjusted annually as a result of physical count.

Advertising

The Company follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was $1,233,349 and $633,289 for the years ended December 31, 2024 and 2023, respectively. Monthly amounts are also received from franchisees, equal to a portion of monthly sales to fund a brand development fund ("ad fund"). The Company uses the ad fund for additional advertising, marketing and brand development to promote public awareness of the brand and improve systems. These receipts are treated as revenue, recognized each month, and expenses are recorded when incurred.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 2: ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

	2024	2023
Accounts receivable consists of:		
Trade	$ 542,800	$ 347,155
Less allowance for credit losses	(5,431)	(3,484)
Accounts receivable net of credit losses	$ 537,369	$ 343,671
Changes in the allowance for credit losses were as follows:		
Beginning balance	$ 3,484	$ -
Impact of adopting ASU 2016-13 allowance for credit loss expense	-	12,876
Change in allowance for credit losses for the current period	1,947	(4,002)
Direct credit losses charged against the allowance	-	(5,390)
Ending balance	$ 5,431	$ 3,484

For the years ended December 31, 2024 and 2023, the Company recognized credit loss expense (income) of $1,947 and ($4,002), respectively.

NOTE 3: CONTRACT LIABILITIES AND ASSETS

Contract liabilities from contracts with customers for initial franchise fees that relate to deferred revenue consist of the following at December 31, 2024 and 2023:

	2024	2023
Beginning of Year	$ 366,255	$ 965,700
End of Year	$ 709,750	$ 366,255

The Company often incurs incremental contract costs in the form of broker commissions to third parties when a new franchisee is acquired. These incremental contract costs are recognized over the same period as the initial franchise fee revenues. A deferred contract cost asset is recorded when commissions are paid, and as the revenues are recognized each month as performance obligations are completed, a proportional amount of the asset is reversed and the expense is recognized. Contract cost assets for these commissions consist of the following at December 31, 2024 and 2023:

	2024	2023
Beginning of Year	$ 286,450	$ 691,250
End of Year	$ 519,590	$ 286,450

The full amount of the prior year liabilities has been recognized as revenues and the prior year contract assets have been recognized as expense in the current year due to the time over which these revenues and expenses are recognized, see Note 1.

NOTE 4: MEMBERS' EQUITY

As of December 31, 2024 and 2023, ownership and income percentages are as follows:

	2024	2023
Strength For Life, LLC	50 %	50 %
Hudson Declaration Trust	8 %	8 %
W. Kent Dunbar 1994 Living Trust	22 %	22 %
9th & James Investments, LLC	20 %	20 %

There were no changes in ownership or income percentage during the year ended December 31, 2024.

NOTE 5: INCOME TAXES

As of December 31, 2024 and 2023, the deferred tax liabilities recognized for taxable temporary differences total $9,103 and $5,872, respectively. Deferred tax assets recognized for deductible temporary differences and operating loss carryforwards total $7,941 and $4,815, respectively. The net deferred tax liability of $1,162 and $1,057 is reported on the accompanying balance sheets for the years ended December 31, 2024 and 2023, respectively.

The Company has adopted the revised provisions of FASB ASC 740, relating to uncertain tax positions. These standards require management to perform an evaluation of all income tax positions taken or expected to be taken in the course of preparing the Company's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. This evaluation is required to be performed for all open tax years, as defined by the various statues of limitations, for federal and state purposes.

The Company is required to file federal and state income tax returns. The Company's tax returns are subject to possible examination by the taxing authorities. For federal and state income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns. Management has performed its evaluation of all other income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax provisions in the accompanying financial statements.

NOTE 6: RELATED PARTY LEASES & OTHER LEASING ARRANGEMENTS

The Company subleased facilities from Strength for Life, a related party through common members and additional facilities owned by the Company's CEO. One of these leases expired in the current year, while the other lease is paid monthly and is set to expire July 2028. Total rent expense for these arrangements for the years ended December 31, 2024 and 2023 was $8,238 and $5,700, respectively.

The Company also leased a facility to serve as a training center for new franchisee owners. The lease term is effective through November 30, 2025, with an expected to be exercised option for one additional year. The lease calls for monthly payments of $2,050 but may be modified depending on use of space. For the years ended December 31, 2024 and 2023, rent was only charged at 50% of the monthly amount per the agreement. In subsequent years, unless otherwise agreed upon, rent will continue to be charged at 50% of the monthly payment per the agreement. Total rent expense for the years ended December 31, 2024 and 2023 was $12,300 and $11,797, respectively.

The Company has a lease agreement for an additional training center for new franchisee owners. This lease term is effective through December 31, 2026. The lease calls for monthly payments of $4,100. Total rent expense for this lease was $49,200 for the years ended December 31, 2024 and 2023.

NOTE 6: RELATED PARTY LEASES & OTHER LEASING ARRANGEMENTS (CONTINUED)

The Company entered a new agreement during the current year for an additional office and training center. The lease is effective June 1, 2024 through August 31, 2029. The lease calls for initial monthly payments of $3,100, with an increase to $3,550 monthly, effective September 2024. These monthly payments may be modified depending on use of space. For the year ended December 31, 2024, rent was only charged at 50% of the monthly amount per the agreement. In subsequent years, unless otherwise agreed upon, rent will continue to be charged at the 50% of the monthly amount per the agreement. Total rent expense for this lease for the year ended December 31, 2024 was 14,664.

The practical expedient election has been made to use the risk-free rate as the discount rate for all operating leases.

Supplemental balance sheet information related to leases were as follows:

	2024	2023
Operating lease right-of-use assets	$ 267,730	$ 181,083
Operating lease obligations - current	88,480	61,458
Operating lease obligations - non current	182,552	119,625
Total operating lease obligations	$ 271,032	$ 181,083
Weighted Average Discount Rate	3.33 %	1.93 %
Weighted Average Term of Leases (Years)	3.31	2.95

Future lease payments for all leases

	2024	2023
January 1, 2024 - December 31, 2024	$ -	$ 64,350
January 1, 2025 - December 31, 2025	96,150	61,500
January 1, 2026 - December 31, 2026	98,348	60,475
January 1, 2027 - December 31, 2027	39,766	-
January 1, 2028 - December 31, 2028	35,677	-
January 1, 2029 - December 31, 2029	18,985	-
Total undiscounted minimum lease payments	288,926	186,325
Less: Present value discount	(17,894)	(5,242)
Operating lease liability	$ 271,032	$ 181,083

NOTE 7: RELATED PARTY DEBT

On December 15, 2023, the Company executed an agreement with 9th & James Investments, LLC whereby the Company issued a promissory note totaling $600,000. This agreement matures on January 15, 2031. Interest-only payments are required for the first 24 months from the effective date of the note, beginning January 15, 2024. The first installment of principal and interest is due on January 15, 2026, to be paid in 60 equal monthly installments. It is understood that an unpaid principal balance will remain at the end of this term, at which point a balloon payment will become due for the remaining principal balance. The promissory note bears an interest rate of 6.5% per annum. Interest was charged of $39,000 during the year ended December 31, 2024. As of December 31, 2024, the loan balance was $600,000.

NOTE 8: EMPLOYEE BENEFIT PLAN

The Company has established an elective deferral SIMPLE IRA plan covering all eligible employees. The Company matches the contributions made by employees, up to a maximum of 3% of the employee's income. The Company's matching contributions for the years ended December 31, 2024 and 2023, was $36,529 and $37,894, respectively.

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated the events that have occurred through April 11, 2025, the date the financial statements were available to be issued.

SUPPLEMENTAL FINANCIAL INFORMATION

Exercise Coach USA, LLC
Schedule 1
Schedule of Operating Costs and Expenses
For the years ended December 31, 2024 and 2023

	2024	2023
OPERATING COSTS AND EXPENSES		
Advertising and promotion	$ 1,233,349	$ 633,289
Salaries	2,035,791	1,798,755
Payroll taxes	104,146	99,358
Professional fees	202,508	183,027
Franchise development	711,961	1,274,368
Ad fund expenses	525,805	393,628
Training expense	73,864	40,403
Commission expense	12,500	-
Dues and subscriptions	6,644	5,873
Designer fees	13,630	15,960
Insurance	113,767	83,998
Rent	84,402	66,697
Website and computers	743,929	649,200
Automobile	8,244	13,422
Office supplies	23,650	10,697
Printing and postage	282,261	309,797
Repairs and maintenance	1,911	2,105
Travel	46,044	13,145
Telephone and utilities	10,724	8,711
License and fees	177	177
Education	141,205	116,533
Depreciation	53,577	29,179
Amortization	8,000	8,000
Meals & entertainment	7,850	16,438
Retirement plan expense	36,529	37,894
Interest expense	39,000	-
Bank fees	9,176	7,352
Sales tax expense	102	257
Total Operating Costs and Expenses	$ 6,530,746	$ 5,818,263

EXHIBIT "I"

TO DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	February 6, 2026 (amended April 30, 2026)
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT "J"

TO DISCLOSURE DOCUMENT

RECEIPTS

[See Attached]

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Exercise Coach USA, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Exercise Coach USA, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

Brad Bundy; 531 Telser Rd., Lake Zurich, Illinois 60084; (847) 807-3256

Brian Cygan; 531 Telser Rd., Lake Zurich, Illinois 60084; (855) 400-5250

Matthew Essex; 531 Telser Rd., Lake Zurich, Illinois 60084; (855) 400-5250

John Suazo; 9475 Briar Village Point, #110, Colorado Springs, Colorado; (855) 400-5250

Kevin McKee; 531 Telser Rd., Lake Zurich, Illinois 60084; (847) 766-0267

Anthony Lux; 531 Telser Rd., Lake Zurich, Illinois 60084; (847) 202-6224

Paul Broeder; 11802 Owens Canyon Lane, Cypress, Texas 77433; (832) 388-0270

Bill Sharkey; 531 Telser Rd., Lake Zurich, Illinois 60084; (855) 400-5250

Amie Hawk; 14301 FNB Pkwy, Suite 312, Omaha, Nebraska 68154; (531) 333-3278

Kaytlyn Randall; 14301 FNB Pkwy, Suite 312, Omaha, Nebraska 68154; (531) 333-3278

Christopher Miles; 14301 FNB Pkwy, Suite 312, Omaha, Nebraska 68154; (531) 333-3278

Hannah Mort; 14301 FNB Pkwy, Suite 312, Omaha, Nebraska 68154; (531) 333-3278

Jessica McLean; 14301 FNB Pkwy, Suite 312, Omaha, Nebraska 68154; (531) 333-3278

Elise Morales; 14301 FNB Pkwy, Suite 312, Omaha, Nebraska 68154; (531) 333-3278

Lexa Wise; 14301 FNB Pkwy, Suite 312, Omaha, Nebraska 68154; (531) 333-3278

Megan Tewes; 14301 FNB Pkwy, Suite 312, Omaha, Nebraska 68154; (531) 333-3278

Issuance Date: April 20, 2026 (amended April 30, 2026)

Exercise Coach USA, LLC's agent to receive service of process is listed in EXHIBIT "A" to this Disclosure Document (for franchise registration states) or EXHIBIT "B" to this Disclosure Document (for all other states).

I received a Franchise Disclosure Document that included the following Exhibits:

EXHIBIT "A"	List of State Administrators and Agents for Service of Process
EXHIBIT "B"	Agent for Service of Process
EXHIBIT "C"	Franchise Agreement
EXHIBIT "D"	Area Development Agreement
EXHIBIT "E"	Other Agreements
EXHIBIT "E"-1	State Addenda
EXHIBIT "E"-2	General Release
EXHIBIT "E"-3	Participation Agreement
EXHIBIT "E"-4	Franchise Resale Agreement
EXHIBIT "F"	Table of Contents of the confidential Brand Standards Manual
EXHIBIT "G"	List of Franchisees
EXHIBIT "H"	Financial Statements of Exercise Coach USA, LLC
EXHIBIT "I"	State Effective Dates
EXHIBIT "J"	Receipts

Print Name_____

Date _____ (Signature) Prospective Franchise Owner_____

(This Receipt should be executed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Exercise Coach USA, LLC)

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

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